Rural female entrepreneurship in the Eastern Himalayan region of South Asia

Introduction

In geographical terms, the Eastern Himalayan region refers to the region lying between 82.70°E and 100.31°E longitude and 21.95°N to 29.45°N latitude, encompassing a total area of 524,190 sq. km. The region extends from the Kaligandaki Valley in central Nepal to northwest Yunnan in China, also incorporating Bhutan, the northeastern states and north Bengal hills in India, southeastern Tibet, and parts of northern Myanmar (Figure 1). However, for the purpose of present study, we are focusing on the Eastern Himalayan region of South Asia which inter alia includes countries of Bangladesh, Bhutan, India, and Nepal. Accordingly, the focus of the present article is on Rural Entrepreneurship in the Himalayan Region of South Asia.

Rural female entrepreneurship

There prevails almost general agreement between experts like Frazier et al. (2012), and Fuller-Love et al. (2006), and others, that one of the most vital components of local economic development strategy is rural entrepreneurship. In general, the notion of entrepreneurship is a term describing individuals that recognize the opportunities in order to satisfy needs and who gather resources to meet them (Jones, 1999). For the purpose of this paper, reliance is placed on the definition of entrepreneurship proposed by Wennekers and Thurik (1999, p. 46):

“Entrepreneurship is the manifest ability and willingness of individuals, on their own, in teams, within and outside existing organizations, to: (1) perceive and create new economic opportunities (new products, new production methods, new organizational schemes and new product-market combinations), and to (2) introduce their ideas in the market, in the face of uncertainty and other obstacles, by making decisions on location, form and the use of resources and institutions.”

This definition is exhaustive enough to envisage a multidimensional concept of entrepreneurship by demonstrating that entrepreneurship involves particular creative human behavior in context of specific external factors.

Entrepreneurs have come to play a crucial role in the promotion of rural development and Saxena (2012) has underlined that the rural development is linked to entrepreneurship more than ever before. Entrepreneurship is widely regarded by...
many experts as a development strategy. Rural entrepreneurship means the same as rural industrialization. Rural entrepreneurship can be regarded as an attempt to create the management for risk-taking appropriate to opportunity as well as to mobilize human, material, and financial resources in order to fulfill the project in rural areas (Saxena, 2012).

Rural areas are disadvantaged in some ways compared to the urban areas; there is a huge difference in the economic performance between these regions (Smallbone, 2009).

Stathopoulou et al. (2004) have opined that the process of entrepreneurship in countryside is the same as in urban centers. However, the rural milieu imposes specific challenges and opportunities that ultimately change the outcome of entrepreneurial efforts. The success of the entrepreneur in the rural area is determined by specific environmental circumstances as well as characteristics of the entrepreneur. The following factors distinguish circumstances for entrepreneurs in rural areas.

**Physical environment**
Geographical location and availability of natural resources are vital aspects of rural entrepreneurship. Distance from denser populated centers is a drawback, since it means smaller market size, poor accessibility to customers, suppliers, and institutions (Stathopoulou et al., 2004). On the other hand, accessible rural areas are rather advantageous for businesses (Keeble and Tyler, 1995). Availability of natural resources can afford new business opportunities for both manufacturing and recreation. Besides, rural areas endowed with remarkable amenities may prompt entrepreneurs to start businesses there, even though it may not be a rational option from an economical point of view (Johnson and Rasker, 1995).

**Social environment**
Kjeldsen and Svensen (2011) opine that relationships and trust among people created by developed social capital facilitate regional business cooperation and networking that can benefit entrepreneurs. Besides, prospects of additions in revenue also spur the local administration to introduce policies directed toward promoting entrepreneurship. Rural entrepreneurs can benefit from using unique local characteristics to differentiate and market their products/services. Kneafsey et al. (2001) believe that “culture economy” is a profitable force of development for rural regions.

**Economic environment**
Economic environment entails appropriate infrastructure and availability of business networks for thriving of rural entrepreneurship. Stathopoulou et al. (2004) have aptly pointed out that adequate infrastructure is highly desirable and helpful to rural entrepreneurs because remoteness and high transportation costs make countryside businesses less competitive and attractive to customers, suppliers, and employees.

Young (2010) concludes that local networks are crucial to development of rural firms. These networks can together reach larger markets, increase resilience, and give ability for every member to take more risks. Even internationally oriented rural businesses rely heavily on their local networks. In addition, friendship and family relations provide supportive atmosphere inside rural firms. It is generally acknowledged that information and communication technologies (ICTs) open unprecedented opportunities for SMEs in rural locations. Information is easily collectable, market boundaries are broadened, cooperation is assisted, and resources are easily reachable with the help of ICT. All these combat disadvantages imposed on rural areas by distance and small market size (Stathopoulou et al., 2004).

**RFE in Bangladesh**
Bangladesh is a densely populated country endowed with scarce resources where society is highly stratified (World Bank, 2003). Services and opportunities are determined by gender class and location. About 84 percent of 140 million people of Bangladesh live in rural areas and women make up nearly half of the population (Afrin et al., 2008). Moreover, the study by REOPA-CST (UNDP, 2010) indicates that in Bangladesh, with 50 percent rural poverty rates are chronically poor people, even though having huge potential of this proportion; especially the women who suffer from continuous food insecurity, cannot own any cultivable land or assets, are often found to be illiterate, and may also suffer serious illness or disabilities.

It has been further argued in the same study that one of the main causes of rural poverty in Bangladesh is extreme climate; a large proportion of the country is low-lying and vulnerable to flooding which causes damage to crops, homes, and livelihoods (IFAD, 2010). Besides, the burgeoning population growth and the pressure of environment disasters such as soil erosion and flooding aggravate the situation for poor village people including poor women.

These circumstances usually emerge when they become the heads of their households such as widows or wives of men who have migrated in search of employment. Women suffer discrimination because of their gender. Also, they have limited earning opportunities and their nutritional intake is often inadequate. Among extremely poor people, there is a disproportionate number of households headed by women (UNDP, 2007).

Recent researches on rural women entrepreneurs’ status reflect their unequal position in the society in Bangladesh. The entrepreneurship status of the population during 1999 shows that out of 46.8 percent self-employed citizen, women make up only 8.3 percent. According to a report by USAID (2011), only 24 percent of women participate in the labor force compared to 84 percent of men. Female participation is also concentrated in lower-level jobs, and wages are about only half of the male wage rate.

Correspondingly, according to Bangladesh’s Sixth Five Year Plan — FY2011–FY2015, the government of Bangladesh makes a clear commitment to equality between women and men in its recently-approved “Poverty Reduction Strategy Paper” (PRSP). It sets out several strategic goals:

- Enhance women’s participation in decision-making;
- Promote gender equality and empowerment of women (also a Millennium Development Goal); and
Rural female entrepreneurship in the Eastern Himalayan region of South Asia

- Ensure women’s full participation in mainstream economic activities (US-AID, 2011).

There are a number of key challenges faced by rural women entrepreneurs in Bangladesh, which adversely impact women empowerment in entrepreneurship development in rural Bangladesh. These inter alia include: lower literacy rate of women, inadequate government effort and lack of institutional framework, adverse socio-religious customs and traditions, lack of consciousness among men and women, failure of women to respond to modernization, and failure to provide adequate safety and security to women (Bhuyan and Abdualla, 2007).

RFE in Bhutan

The Kingdom of Bhutan is situated in the Eastern Himalayas, between the Tibetan plateau of China in the north and the Indian states of Assam and West Bengal to the south and east, and Sikkim to the west. The poverty prevalence in Bhutan’s rural areas stands at 30.9 percent (and in some areas as high as 52.9 percent). Bulk of Bhutan’s population is concentrated in the broad river valleys. Bhutan’s economy is dependent on the traditional sector comprising farming, animal husbandry, and forestry, accounting for roughly 40 percent of GDP. However, the share of modern sector, comprising manufacturing, mining, hydropower generation, and construction, grew to about 30 percent of GDP during 2002. Tourism may become a lucrative service sector business and one of the important sources of hard currency albeit its negative impact on culture and the environment is contained.

The goal making “people prospering and happy” has pervaded into the development policy of Bhutan since the beginning of the Five Year Plans (FYPs) in the 1960s. In late 1980s, the king of Bhutan formally introduced his vision for Bhutan by enunciating the concept of happiness by declaring: “Gross National Happiness is more important than Gross National Product”; whereby happiness takes precedence over economic prosperity in the national development (Priesner, 1999). The concept of gross national happiness (GNH) is human centered, as it places the individual at the center of all development efforts and recognizes that material, spiritual, and emotional needs of the individuals must be fulfilled. So the development efforts have been directed toward fulfilling these needs rather than material needs only.

GNH rests on “four pillars” of development principles: sustainable and equitable economic development, conservation of the environment, preservation and promotion of culture, and good governance. The development efforts need meticulous orchestration of these principles, intended to bring harmonious development in the future, balancing environmental sustainability, social well-being, and spiritual richness of the Bhutanese society.

The notion of RFE in Bhutan is also affected by the concept of GNH or Gross National Product (GNP). The participation of Bhutanese women in the industrial sector is almost minimal because industries are not highly developed in the country. Women in rural areas are mostly engaged in weaving, knitting, embroidery and cane-basketry, etc., which are categorized as home-based cottage industries.

Agriculture is the major activity on which the rural population is dependent. Except in Lhokshampa group, land is owned by women in both Ngalops and Sharchops who follow matriarchal family system. Women inherit agricultural land and associated properties. They have a more central role in the family. They have access to livestock also. The control of income is in the hands of the women and henceforth the decision-making powers concerning household expenditure.

Marketing patterns seem to influence the control of income within the household. Women seem to frequent market with poultry, butter, cheese, and vegetables and the income generated from these products is generally kept and used by women for their own expenditure as well as to run the household. Men or women who sell milk to local markets generally have control of the income for their own use. The households selling milk to cooperatives tend to use their income for family rather than for their personal use (Rajput, 2011).

The Bhutan Government’s Department of Agriculture has established several training projects for women in various districts. The regular farmer training programs also try to involve women trainees in Khangma of Tashigang district of Bhutan. Several training courses for women focus on child health care, improved method of food processing and preservation, kitchen gardening, knitting, tailoring, and weaving. Subjects such as personal hygiene and environmental sanitation are also introduced during these short-term training courses (Rajput, 2011).

RFE in Nepal

Women constitute half of the total population in Nepal. Women, in particular in rural areas, lack choices and opportunities to improve their living standards. They are restricted by poverty, cultural stereotypes, and poor access to education and health care services. These strong socio-cultural restrictions perpetuate gender discriminations and their inferior status over time. Girls constitute 49 percent of the children below 18 years in Nepal. Adolescents and youth (11–25 year range) comprise roughly 33 percent of the population (CBS, 2012). Across the country, women are deprived from equal access to education and the girl’s literacy rate is 42.8 percent as compared to boys’ literacy rate (68 per cent; Plan Nepal, 2010).

Gender disparities are obvious in the employment sector as well. Only 48.9 percent of the Nepalese women are considered as economically active, while men’s rate is 67.6 percent. Additionally, share of women in paid employment in non-agriculture sector is only 17.5 percent (CBS, 2012). The low female rates are explained by the fact that women in Nepal are engaged in self-employment and domestic unpaid work.

Low profitability accruing from agriculture and the lack of land are the two main reasons for women’s engagement in the non-farm sector in Nepal. The non-farm businesses enable women to manage cash on a daily-basis and to consistently participate in household economic life. This is in line with available literature, which states that one of the main factors influencing
The study also suggests that family and friends networks are the most significant sources of social support for non-farm women entrepreneurs as, in general, they are women’s main source of information and help when business-related problems, doubts, or knowledge are at stake. Women make use of these close networks in order to get recommendations, information, and/or share experiences about their own businesses. This emphasizes the idea of Bebbington (1999) when mentioning that particular attention has to be paid to the importance of social capital as an asset through which people are able to widen their access to resources and other actors.

The rural female entrepreneurs in Nepal are faced with problems such as lack of adequate skills to strengthen knowledge and improve management of their business, gender-specific deficits, limited outreach, lack of access to business information, and supportive professional networks.

Rural female entrepreneurship in the Eastern Himalayan region of South Asia

Lack of land ownership spurs rural women in Nepal to seek other and more profitable economic opportunities by shifting work toward the non-farm sector. The female informal businesses, which tend to be initially more livelihood oriented instead of growth oriented, are seemingly in accordance with literature on female entrepreneurial development initiatives (ILO, 2007).

Generally, women entrepreneurs in Nepal, like female entrepreneurs elsewhere, are influenced by the need of low initial investments both in infrastructures and managerial matters: they start activities that are preferentially home-based businesses and where it is possible to make use of personal items, overcoming the need to invest in working tools and physical units.

Evidently, apart from being livelihood oriented, non-farm businesses managed by female entrepreneurs in Nepal often remain confined to low-productivity and low-growth market sections, in which gender plays a major role when analyzing opportunities and constraints. This trend is compatible with several studies on female entrepreneurship, which show that gender and social status restrict access to the most lucrative non-farm activities as women lack the information, technical skills, and financial capital required to effectively manage the business (Davis, 2003; Hill, 2011; Jamali, 2009; Reardon, 2009).

Vast array of factors, perceptions, and attitudes wield impact on the ability to strengthen an economic activity. Many women entrepreneurs in Nepal experiencing an increase in business profits over time are involved in a specific activity for a period between 1 and 5 years. These successful women are self-confident and they are driven by a strong wish to be economically more independent. Similar trends have been reinforced literature on female entrepreneurship (Bushell, 2008; ILO, 2007; Islam, 2011).

The Rural Entrepreneurship Development Programmes (REDPs) in India have been institutionalized by the Entrepreneurship Development Institute of India, Ahmedabad. The civil society institutions are seen as agents who help state agencies in implementing the programs. The component is the role state expects. The NGOs are expected to undertake motivation, training, and the follow-up programs (Desai, 1991). The REDPs are designed to support a person or group wishing to start a business. It inculcates in the entrepreneur the necessary entrepreneurial traits that develop the personnel, financial, technical, managerial, and marketing capabilities and skills. The government acts as a catalytic force of the emergence of new entrepreneurs through provision of infrastructural and other facilities. India has diversified multiagency institutional credit structure comprising of commercial banks, cooperative banks, and regional rural banks for the development of micro entrepreneurs (Sathiabama, 2010).

Financial assistance is provided under REDPs to reputed NGOs and professional agencies for conducting REDPs covering skill upgradation, market-oriented training programs, and training of and by master-craftswomen. It is stipulated that 30 percent women should be the beneficiaries in rural development programs run by the government.

Various programs are in existence to promote RFE in India. The Integrated Rural Development Programme (IRDP) is a major credit linked self-employment program for poverty alleviation. Development of Women and Children in Rural Areas (DWCRAs), a sub-component of IRDP, aims at organizing women in socio-economic activity groups with the dual objective of strengthening them. The Training of Rural Youth for Self Employment (TRYSEM), a supporting component of IRDP, is a scheme to equip rural youth with the necessary technical and entrepreneurial skills through a training institution or a master craftsman, so as to enable them to take up income-generating activities. Out of the total number of beneficiaries under the scheme, at least 40 percent should be women (India Annual Reference, 2013).

The government of India has set up Women’s Development Corporations (WDCs) to promote self-employment among women and to mainstream them into the development process. The aim of these corporations is to provide technical, managerial, marketing, and financial information for the weaker sections of women,
so that they can generate a sustained income for themselves. The main functions of the corporations are to facilitate the availability of credit through banks and other financial institutions.

Undoubtedly, the government of India has launched many developmental programs for increasing entrepreneurship; nevertheless, the rural women entrepreneurship has not been able to achieve much. Hence, there exists a gap between what they possibly can and actual performing with the existing facilities. This implies that the women entrepreneurs are not able to exploit the resources at a fullest level which might be due to knowledge, social, and psychological problems.

The main problems faced by women entrepreneurs in India are financial problems, over dependence on intermediaries, scarcity of raw materials, intense competition, high cost of production, low mobility, family ties and responsibilities, economic and social status, adverse effects of risk learning, lack of learning, lack of education and skill acquisition, and low need for achievement.

Due to their family responsibilities, women have less time. They have to look after both their children and business. Most of the women have lack of mobility and do not undergo additional training and they are handicapped by their inability to move from one place to another to their work. The problem in rural and remote areas is different from others. The number of problems encountered is entrepreneurial, general, knowledge, social, and psychological.

Conclusion

The promotion of RFE in the countries of the Eastern Himalayan region of South Asia is confronted with some common problems such as lack of access to finance and financial institutions, absence of access to markets, dearth of adequate training facilities, paucity of access to networks, non-involvement of women entrepreneurs in policymaking process, lack of infrastructure, inaccessibility to technology, absence of strategic support services, and non-availability of land to establish micro-enterprises.

These and other ancillary problems are still major barriers preventing women from realizing their full potential as entrepreneurs in rural areas in the Eastern Himalayan region of South Asia. The lack of financial capital is widely recognized by women as the main problem to starting a business and/or to strengthening ongoing microenterprises. Undoubtedly, women have access to loans and/or to personal resources; nevertheless, some businesses require greater investments and larger physical structures. Besides, when planning broader schemes of financial support, it is important to do so in tandem with consistent business tools such as market research and business planning, so that the success rate of these micro-enterprises can be higher.

There is a need for promoting and expanding non-farm economic activities, so that women entrepreneurs who lack resources in agriculture can harness their energy in non-farm economic activities with the financial and technical support from the government. Facilities should be put in place to provide women with greater support from cooperatives regarding knowledge about suppliers, book-keeping, and profitability as well as for regular training programs to be held on the subjects of management and profitability, marketing, and fashion design.

Apart from upgrading access to financial capital, improving human capital available to women entrepreneurs seems to be key aspects. Women entrepreneurs generally lack access to business-related information, knowledge, and training. This happens either because women have no access to membership in business associations, no access to an effective professional network or because women were not informed about ongoing business-related programs provided by cooperatives or other agencies. However, the external environment also contributes to influence the rural economy and scenario. Therefore, rural women entrepreneurs also need public assets and strengthened access and knowledge about the legal framework.

Keeping in the fact that rural non-farm activities are multiple and becoming widespread across rural landscapes, there is dire need for developing these activities through local agricultural linkages. Therefore, it is essential to provide training programs and education on non-farm activities that are not disconnected from the external rural environment. These programs could be provided on veterinary services, for example, and training related to supply of agricultural inputs such as fertilizers, tools, and less traditional techniques.

Social networks play important role in making knowledge available and micro-enterprise development possible. Accordingly, successful women entrepreneurs can assist in supporting the establishment of mentoring networks in order to facilitate the development of young and inexperienced female entrepreneurs.

There is a need for establishing an intergovernmental agency comprising representatives of the governments of Bangladesh, Bhutan, India, and Nepal to work out a comprehensive regional plan for the promotion of RFE by pooling together resources, networking, exchange of experts, and technological and other logistics.

References

- Davis, J.R. (2003), The Rural Non-farm Economy, Livelihoods and Their Diversification: Is-
Rural female entrepreneurship in the Eastern Himalayan region of South Asia

The Entrepreneurship Development Network Asia (EDNA) connects leading universities in the Asian region who have the desire and capacity to develop coordinated entrepreneurship and innovation teaching, research and outreach. EDNA supports entrepreneurship education and engagement with local institutions. The goal is to ensure local institutions are networked with each other, have access to specialist resources and are able to leverage each other’s strengths.

For more information, access:
http://edna.asia