

Women Entrepreneurship: An Economic role in Indian society

MOHD RAFI PARAY

Devi Ahilya University, Indore, India

Abstract. Women Entrepreneurship and Women empowerment are considered as an important tool in eradicating poverty and unemployment. Now a day's Women empowerment has become a buzzword. Empowerment of women may not be feasible just by creating employment opportunities for them. The need of the hour is to inspire them to set up their own enterprises. Traditionally, women have been on stage, by playing a crucial role in the management of the family as well as in the society. But their job has not been duly recognized. Entrepreneurs play a key role in any economy. These are the people who have the skills and initiative necessary to take good new ideas to market and make the right decisions to make the idea profitable. The reward for the risks taken is the potential economic profits the entrepreneur could earn. Technically, a "women entrepreneur" is any women who organizes and manages any enterprise, usually with considerable initiative and risk. However, quite often the term "women-owned business" is used relative to government contracting. In this instance, the entrepreneur (a woman) owns (more than 50%), controls and runs the enterprise. The present study has been an attempt to generate awareness and to understand meaning, rationale for diversification. An extensive literature review is done on women entrepreneur. At the end some major problems faced by Indian women entrepreneurs, success stories of Indian women entrepreneurs, factors influencing women entrepreneurship and steps taken by the government for upliftment of Indian women entrepreneurs.

Keywords: Women entrepreneur, diversification, Indian women entrepreneurs, success stories, women entrepreneurship, Indian government

1. Introduction

Women entrepreneurs may be defined as a "Woman or a group of women who initiate, organize and run a business enterprise". Government of India has defined women entrepreneurs based on women participation in equity and employment of a business enterprise. Accordingly, a woman run a enterprise is defined as "an enterprise owned and controlled by a 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". Women entrepreneur constitute 10 % of the number of the number of entrepreneur in the country. This has been a significant growth in self-employment of women with women now starting new ventures at three times the rate of men. They constitute 50% of the population of our country with a lower literacy rate than men. This statistical fact indicates that for the economic growth of the nation, women should not be encouraged to make their share of economic contribution towards the country. one way of achieving is by making women come out and become entrepreneurs. In the traditional society, they were confined to the four walls, playing household roles, but in the modern society, they are coming out to participate in all sorts of activities. Women enter entrepreneurship due to economic factors which pushed them to be on their own and urge them to

do something independently. Women prefer to work from their own work residence, difficulty in getting suitable jobs and desire for social recognition motivate them towards self-employment. We see a lot of women professionals in engineering, medicine, law etc. They are also setting up hospitals, training centers, etc. "An enterprise owned and controlled by a women having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generated by the enterprise to women." — Government of India "A woman entrepreneur can be defined as a confident, innovative and creative woman capable of achieving self-economic independence individually or in collaboration, generates employment opportunities for others through initiating, establishing and running the enterprise by keeping pace with her personal, family and social life."

The Government of India has been declared year 2001 as women empowerment year. As there exist a need to strengthen and streamline the role of women in the development of various sectors. So that women dare to take risks and become successful entrepreneurs. Women across India are showing a concern to be economically independent. Women entrepreneurship and economic development go hand in hand. Though the entrepreneurial process is the one and the same for men and women, however in practice, many challenges are faced by women, which are of different dimensions and magnitudes, which prevent them from realizing their full potential as entrepreneurs. Nowadays with the growth of MSME, many women have embarked into entrepreneurship and running their enterprises successfully. With the relevant education, work experience, improved economic condition and financial opportunities more women are venturing into business.

2. Objectives of the Study

The main objectives of this study are:

- To understand the concept and emergence of women entrepreneurship in India

- To know the development of women entrepreneurship in India
- To list out the reasons, for women involving themselves in entrepreneurial activities in India.
- To list out the challenges, faced by the women entrepreneurs in India.
- To identify the opportunities, available for women entrepreneurs.

3. Research Methodology

The prepared paper is a descriptive study in nature. The secondary data and information have been analyzed for preparing the paper extensively. The secondary information have been collected from different scholars" and researchers" published books, articles published in different journals, periodicals, conference paper, working paper and websites.

4. Review of Literature

Bowen & Hisrich, (1986), compared & assessed various research studies done on entrepreneurship including women entrepreneurship. It summaries various studies in this way that female entrepreneurs are relatively well educated in general but perhaps not in management skills, high in internal locus of control, more masculine, or instrumental than other women in their values likely to have had entrepreneurial fathers, relatively likely to have frts born or only children, unlikely to start business in traditionally male dominated industries & experiencing a need of additional managerial training.

Cphoon, Wadhwa & Mitchell, (2010), present a detailed exploration of men & women entrepreneur's motivations, background and experiences. The study is based on the data collected from successful women entrepreneurs. Out of them 59% had founded two or more companies. The study identifies top five financial & psychological factors motivating women to become entrepreneurs. These are desire to build the wealth, the wish to capitalize own business ideas they had, the appeal of startup culture, a long standing desire to own their own company and working with someone else did not appeal them. The challenges are

more related with entrepreneurship rather than gender. However, the study concluded with the requirement of further investigation like why women are so much concerned about protecting intellectual capital than their counterpart. Mentoring is very important to women, which provides encouragement & financial support of business partners, experiences & well developed professional network.

In India, the major portion of the women's community though equal to men in the population is subject to lots of deprivation in business activity. The largest numbers of women are involved in domestic works as a result their entrepreneurial skills and abilities are not properly utilized for the development of the nation. Researcher identifies the reasons and influencing factors behind entry of women in entrepreneurship. He explained the characteristics of their businesses in Indian context and also obstacles & challenges. He mentioned the obstacles in the growth of women entrepreneurship are mainly lack of interaction with successful entrepreneurs, social un-acceptance as women entrepreneurs, family responsibility, gender discrimination, missing network, low priority given by bankers to provide loan to women entrepreneurs. He suggested the remedial measures like promoting micro enterprises, unlocking institutional framework, projecting & pulling to grow & support the winners etc. The study advocates for ensuring synergy among women related ministry, economic ministry & social & welfare development ministry of the Government of India. Commenting on the challenges facing women entrepreneurs, classified women into 'better-off and low-income women'. According to them, 'better-off women' face the following challenges: lack of socialization to entrepreneurship in the home, school and society; exclusion from traditional business networks; lack of access to capital; discriminatory attitude of leaders; gender stereotypes and expectation: such as the attitude that women entrepreneurs are dabblers or hobbyists; socialized ambivalence about competition and profit; lack of self-confidence; inability to globalize the business: men are leading in the global market. On the other hand,

'low-income women' face challenges such as: poor savings, longer hours to work, health care and other assistance, illiteracy, regulation that do not distinguish between personal business assets make it extremely difficult to start a business or to invest the time it takes to make it profitable, lack of managerial skill, cultural bias both within cultural group and in the larger society, high level of poverty.

4.1 Problems faced by Indian Women Entrepreneurs

Besides the above basic problems the other problems faced by women entrepreneurs are as follows:

- **Family ties:** Women in India are very emotionally attached to their families. They are supposed to attend to all the domestic work, to look after the children and other members of the family. They are over burden with family responsibilities like extra attention to husband, children and in laws which take away a lots of their time and energy. In such situation, it will be very difficult to concentrate and run the enterprise successfully.
- **Male dominated society:** Even though our constitution speaks of equality between sexes, male chauvinism is still the order of the day. Women are not treated equal to men. Their entry to business requires the approval of the head of the family. Entrepreneurship has traditionally been seen as a male preserve. All these put a break in the growth of women entrepreneurs.
- **Lack of education:** Women in India are lagging far behind in the field of education. Most of the women (around sixty per cent of total women) are illiterate. Those who are educated are provided either less or inadequate education than their male counterpart partly due to early marriage, partly due to son's higher education and partly due to poverty. Due to lack of proper education, women entrepreneurs remain in dark about the development of new

technology, new methods of production, marketing and other governmental support which will encourage them to flourish.

- **Social barriers:** The traditions and customs prevailed in Indian societies towards women sometimes stand as an obstacle before them to grow and prosper. Castes and religions dominate with one another and hinder women entrepreneurs too. In rural areas, they face more social barriers. They are always seen with suspicious eyes.
- **Shortage of raw materials:** The scarcity of raw materials, sometimes nor, availability of proper and adequate raw materials sounds the death-knell of the enterprises run by women entrepreneurs. Women entrepreneurs really face a tough task in getting the required raw material and other necessary inputs for the enterprises when the prices are very high.
- **Problem of finance:** Women entrepreneurs suffer a lot in raising and meeting the financial needs of the business, Bankers, creditors and financial institutes are not coming forward to provide financial assistance to women borrowers on the ground of their less credit worthiness and more chances of business failure. They also face financial problem due to blockage of funds in raw materials, work-in-progress finished goods and non-receipt of payment from customers in time.
- **Tough competitions:** Usually women entrepreneurs employ low technology in the process of production. In a market where the competition is too high, they have to fight hard to survive in the market against the organised sector and their male counterpart who have vast experience and capacity to adopt advanced technology in managing enterprises
- **High cost of production:** Women Entrepreneur In India Several factors including inefficient management contribute to the high cost of production which stands as a stumbling block

before women entrepreneurs. Women entrepreneurs face technology obsolescence due to nonadoption or slow adoption to changing technology which is a major factor of high cost of production.

- **Low risk-bearing capacity:** Women in India are by nature weak, shy and mild. They cannot bear the amount risk which is essential for running an enterprise. Lack of education, training and financial support from outside also reduce their ability to bear the risk involved in an enterprise.
- **Limited mobility:** Women mobility in India is highly limited and has become a problem due to traditional values and inability to drive vehicles. Moving alone and asking for a room to stay out in the night for business purposes are still looked upon with suspicious eyes. Sometimes, younger women feel uncomfortable in dealing with men who show extra interest in them than work related aspects.
- **Lack of entrepreneurial aptitude:** Lack of entrepreneurial aptitude is a matter of concern for women entrepreneurs. They have no entrepreneurial bent of mind. Even after attending various training programmes on entrepreneurship women entrepreneurs fail to tide over the risks and troubles that may come up in an organisational working
- **Limited managerial ability:** Management has become a specialised job which only efficient managers perform. Women entrepreneurs are not efficient in managerial functions like planning, organising, controlling, coordinating, staffing, directing, motivating etc. of an enterprise. Therefore, less and limited managerial ability of women has become a problem for them to run the enterprise successfully.

4.2 Steps taken by the Indian Government

The growth and development of women entrepreneurs required to be accelerated because entrepreneurial development is not possible without the participation of women. Therefore, a congenial environment is needed to be created to enable women to participate actively in the entrepreneurial activities. There is a need of Government, non-Government, promotional and regulatory agencies to come forward and play the supportive role in promoting the women entrepreneur in India. The Government of India has also formulated various training and development cum employment generations programs for the women to start their ventures. These programmes are as follows:

1. Steps taken in Seventh Five-Year Plan: In the seventh five-year plan, a special chapter on the "Integration of women in development" was introduced by Government with following suggestion:

A) Specific target group: It was suggested to treat women as a specific target groups in all major development programs of the country.

B) Arranging training facilities: It is also suggested in the chapter to devise and diversify vocational training facilities for women to suit their changing needs and skills.

C) Developing new equipments: Efforts should be made to increase their efficiency and productivity through appropriate technologies, equipments and practices.

D) Marketing assistance: It was suggested to provide the required assistance for marketing the products produced by women entrepreneurs. E) Decision-making process: It was also suggested to involve the women in decision-making process.

2. Steps taken by Government during Eight Five-Year Plan: The Government of India devised special programs to increase employment and income-generating activities for women in rural areas. The following plans are launched during the Eight-Five Year Plan:

A) Prime Minister Rojgar Yojana and EDPs were introduced to develop entrepreneurial qualities among rural women.

B) „Women in agriculture“ scheme was introduced to train women farmers having small and marginal holdings in agriculture and allied activities.

C) To generate more employment opportunities for women KVIC took special measures in remote areas.

D) Women co-operatives schemes were formed to help women in agro-based industries like dairy farming, poultry, animal husbandry, horticulture etc. with full financial support from the Government.

E) Several other schemes like integrated Rural Development Programs (IRDP), Training of Rural youth for Self-employment (TRYSEM) etc. were started to alleviate poverty. 30-40% reservation is provided to women under these schemes.

3. Steps taken by Government during Ninth Five-Year Plan: Economic development and growth is not achieved fully without the development of women entrepreneurs. The Government of India has introduced the following schemes for promoting women entrepreneurship because the future of small scale industries depends upon the women-entrepreneurs:

(a) Trade Related Entrepreneurship Assistance and Development (TREAD) scheme was launched by Ministry of Small Industries to develop women entrepreneurs in rural, semi-urban and urban areas by developing entrepreneurial qualities.

(b) Women Component Plan, a special strategy adopted by Government to provide assistance to women entrepreneurs.

(c) Swarna Jayanti Gram Sroojgar Yojana and Swarna Jayanti Sekhari Rozgar Yojana were introduced by government to provide reservations for women and encouraging them to start their ventures.

(d) New schemes named Women Development Corporations were introduced by government to help women entrepreneurs in arranging credit and marketing facilities.

(e) State Industrial and Development Bank of India (SIDBI) has introduced following schemes to assist the women entrepreneurs. These schemes are: (i) Mahila Udyam Nidhi (ii) Micro Credit Scheme for Women (iii) Mahila Vikas Nidhi (iv) Women Entrepreneurial Development Programmes (v) Marketing Development Fund for Women.

4. Consortium of Women entrepreneurs of India provides a platform to assist the women

entrepreneurs to develop new, creative and innovative techniques of production, finance and marketing. There are different bodies such as NGOs, voluntary organizations, Self-help groups, institutions and individual enterprises from rural and urban areas which collectively help the women entrepreneurs in their activities.

5 Training programmes: The following training schemes especially for the self-employment of women are introduced by government:

- Support for Training and Employment Programme of Women (STEP).
- Development of Women and Children in Rural Areas (DWCRA).
- Small Industry Service Institutes (SISIs)
- State Financial Corporations
- National Small Industries Corporations
- District Industrial Centres (DICs)

6 Mahila Vikas Nidhi: SIDBI has developed this fund for the entrepreneurial development of women especially in rural areas. Under Mahila Vikas Nidhi grants loan to women are given to start their venture in the field like spinning, weaving, knitting, embroidery products, block printing, handlooms handicrafts, bamboo products etc.

7 Rashtriya Mahila Kosh: In 1993, Rashtriya Mahila Kosh was set up to grant micro credit to pore women at reasonable rates of interest with very low transaction costs and simple procedures.

5. Conclusions

India is a male dominated society and women are assumed to be economically as well as socially dependent on male members. Women entrepreneurs faced lots of problems like lack of education, social barriers, legal formalities, high cost of production, male dominated society, limited managerial ability, lack of self-confidence etc. Various factors like Pull and Push factors influencing women entrepreneurs. Successful leading business women in India. Government takes various steps for the upliftment of women entrepreneurs in 7th five year plan, 8th five year plan and in 9th five year plan. Women have the potential the potential and determination to setup, uphold and supervise their own enterprise in a very systematic manner, appropriate support and encouragement

from the society, family, government can make these women entrepreneur a part of mainstream of national economy and they can contribute to the economy progress of India.

References

- Bowen & Hisrich (1986). Twenty-five Years of Economic Development 1950 to 1975.
- Wulf, H. (2013). India's Aspirations in Global Politics: Competing ideas and Amorphous Practices.
- Deepak, A. C. (2012). Globalization, power and resistance: Postcolonial and Transnational Feminist Perspectives for Social Work Practice. *International Social Work*, 55(6), 779-793.
- Dube, S. C. (2012). *India's Changing Villages*. Routledge.
- Cohoon, Wadhwa & Mitchell (2010). Village Economy in Traditional India: A Simplified Model. *Human Organization*, 29 (1), 49-56.