



Women Entrepreneurship Development in India

NIMISHABEN K. PATEL

Abstract:

This paper focuses on women entrepreneur. Any understanding of Indian women, of their identity, and especially of their role taking and breaking new paths, will be incomplete without a walk down the corridors of Indian history where women have lived and internalized various role models. The paper talks about the status of women entrepreneurs and the problems faced by them when they ventured out to carve their own niche in the competitive world of business environment.

1. Introduction

The Indian economy has been witnessing a drastic change since mid -1991, with new policies of economic liberalization, globalization and privatization initiated by the Indian government. India has great entrepreneurial potential. At present, women involvement in economic activities is marked by a low work participation rate, excessive concentration in the unorganized sector and employment in less skilled jobs.

Any strategy aimed at economic development will be lop-sided without involving women who constitute half of the world population. Evidence has unequivocally established that entrepreneurial spirit is not a male prerogative. Women entrepreneurship has gained momentum in the last three decades with the increase in the number of women enterprises and their substantive contribution to economic growth. The industrial performance of Asia-Pacific region propelled by Foreign Direct Investment, technological innovations and manufactured exports has brought a wide range of economic and social opportunities to women entrepreneurs.

In this dynamic world, women entrepreneurs are an important part of the global quest for sustained economic development and social progress. In India, though women have played a key role in the society, their entrepreneurial ability has not been properly tapped due to the lower status of women in the society. It is only from the Fifth Five Year Plan (1974-78) onwards that their role has been explicitly recognized with a marked shift in the approach from women welfare to women development and empowerment. The development of women entrepreneurship has become an important aspect of our plan priorities. Several policies and programmes are being implemented for the development of women entrepreneurship in India.

There is a need for changing the mindset towards women so as to give equal rights as enshrined in the constitution. The progress towards gender equality is slow and is partly due to the failure to attach money to policy commitments. In the words of president APJ Abdul Kalam "empowering women is a prerequisite for creating a good nation, when women are empowered, society with stability is assured. Empowerment of women is essential as their thoughts and their value systems lead to the development of a good family, good society and ultimately a good nation."

When a woman is empowered it does not mean that another individual becomes powerless or is having less power. On the contrary, if a woman is empowered her competencies towards decision-making will surely influence her family's behavior.

In advanced countries, there is a phenomenon of increase in the number of self-employed women after the world war II. In USA, women own 25% of all business, even though their sales on an average are less than two-fifths of those of other small business. In Canada, women own one-third of small business and in France it is one-fifth.

Concept of Entrepreneur- The word 'entrepreneur' derives from the French word "Entreprendre" (to undertake). In the early 16th Century it was applied to persons engaged in military expeditions, and extend to cover construction and civil engineering activities in the 17th century, but during the 18th century, the word 'entrepreneur' was used to refer to economic activities. Many authors have defined 'entrepreneur' differently. Generally, an entrepreneur is a person who combines capital and labour for production. According to Cantillon "entrepreneur is the agent who buys means of production at certain prices, in order to sell at prices that are certain at the moment at which he commits himself to his cost". According to P.F Drucker " he is one who always (1) searches for change (2) responds to it (3) exploits it as an opportunity."

Concept of women Entrepreneur Enterprise- "A small scale industrial unit or industry –related service or business enterprise, managed by one or more women entrepreneurs in a concern, in which they will individually or jointly have a share capital of not less than 51% as shareholders of the private limited company, members of co-operative society".

2. Categories of Women Entrepreneurs

- Women in organized & unorganized sector
- Women in traditional & modern industries
- Women in urban & rural areas
- Women in large scale and small scale industries.
- Single women and joint venture.

3. Categories of Women Entrepreneurs in Practice in India

• First Category

- Established in big cities
- Having higher level technical & professional qualifications
- Non traditional Items
- Sound financial positions

• Second Category

- Established in cities and towns
- Having sufficient education
- Both traditional and non traditional items
- Undertaking women services-kindergarten, crèches, beauty parlors, health clinic etc

• Third Category

- Illiterate women

- Financially weak
- Involved in family business such as Agriculture, Horticulture, Animal Husbandry, Dairy, Fisheries, Agro Forestry, Handloom, Power loom etc.

4. Supportive Measures for Women's Economic Activities and Entrepreneurship

- Direct & indirect financial support
- Yojna schemes and programmes
- Technological training and awards
- Federations and associations

5. Direct & Indirect Financial Support

- Nationalized banks
- State finance corporation
- State industrial development corporation
- District industries centers
- Differential rate schemes
- Mahila Udyug Needhi scheme
- Small Industries Development Bank of India (SIDBI)
- State Small Industrial Development Corporations (SSIDCs)

6. Yojna Schemes and Programme

- Nehru Rojgar Yojna
- Jacamar Rojgar Yojna
- TRYSEM
- DWACRA

7. Technological Training and Awards

- Stree Shakti Package by SBI
- Entrepreneurship Development Institute of India
- Trade Related Entrepreneurship Assistance and Development (TREAD)
- National Institute of Small Business Extension Training (NSIBET)
- Women's University of Mumbai

8. Federations and Associations

- National Alliance of Young Entrepreneurs (NAYE)
- India Council of Women Entrepreneurs, New Delhi
- Self Employed Women's Association (SEWA)
- Association of Women Entrepreneurs of Karnataka (AWEK)
- World Association of Women Entrepreneurs (WAWWE)
- Associated Country Women of the World (ACWW)

9. Women Entrepreneurship in India

| States | No of Units Registered | No. of Women Entrepreneurs | Percentage |
|--------------------|------------------------|----------------------------|------------|
| Tamil Nadu | 9618 | 2930 | 30.36 |
| Uttar Pradesh | 7980 | 3180 | 39.84 |
| Kerala | 5487 | 2135 | 38.91 |
| Punjab | 4791 | 1618 | 33.77 |
| Maharashtra | 4339 | 1394 | 32.12 |
| Gujrat | 3872 | 1538 | 39.72 |
| Karnatka | 3822 | 1026 | 26.84 |
| Madhya Pradesh | 2967 | 842 | 28.38 |
| Other States & UTS | 14576 | 4185 | 28.71 |
| Total | 57,452 | 18,848 | 32.82 |

10. Women Work Participation

| Country | Percentage |
|-------------------|------------|
| India (1970-1971) | 14.2 |
| India (1980-1981) | 19.7 |
| India (1990-1991) | 22.3 |
| India (2000-2001) | 31.6 |
| USA | 45 |
| UK | 43 |
| Indonesia | 40 |
| Sri Lanka | 35 |
| Brazil | 35 |

11. Problems of Women Entrepreneurs in India

Women in India are faced many problems to get ahead their life in business. A few problems can be detailed as;

1. The greatest deterrent to women entrepreneurs is that they are women. A kind of patriarchal – male dominant social order is the building block to them in their way towards business success. Male members think it a big risk financing the ventures run by women.
2. The financial institutions are skeptical about the entrepreneurial abilities of women. The bankers consider women loonies as higher risk than men loonies. The bankers put unrealistic and unreasonable securities to get loan to women entrepreneurs. According to a report by the United Nations Industrial Development Organization (UNIDO), "despite evidence those women's loan repayment rates are higher than men's, women still face more difficulties in obtaining credit," often due to discriminatory attitudes of banks and informal lending groups (UNIDO, 1995b).
3. Entrepreneurs usually require financial assistance of some kind to launch their ventures - be it a formal bank loan or money from a savings account. Women in developing nations have little access to funds, due to the fact that they are concentrated in poor rural communities with few opportunities to borrow money (Starcher, 1996; UNIDO, 1995a). The women entrepreneurs are suffering from inadequate financial resources and working capital. The women entrepreneurs lack access to

external funds due to their inability to provide tangible security. Very few women have the tangible property in hand.

4. Women's family obligations also bar them from becoming successful entrepreneurs in both developed and developing nations. "Having primary responsibility for children, home and older dependent family members, few women can devote all their time and energies to their business" (Starcher, 1996, p. .The financial institutions discourage women entrepreneurs on the belief that they can at any time leave their business and become housewives again. The result is that they are forced to rely on their own savings, and loan from relatives and family friends.
5. Indian women give more emphasis to family ties and relationships. Married women have to make a fine balance between business and home. More over the business success is depends on the support the family members extended to women in the business process and management. The interest of the family members is a determinant factor in the realization of women folk business aspirations.
6. Another argument is that women entrepreneurs have low-level management skills. They have to depend on office staffs and intermediaries, to get things done, especially, the marketing and sales side of business. Here there is more probability for business fallacies like the intermediaries take major part of the surplus or profit. Marketing means mobility and confidence in dealing with the external world, both of which women have been discouraged from developing by social conditioning. Even when they are otherwise in control of an enterprise, they often depend on males of the family in this area.
7. The male - female competition is another factor, which develop hurdles to women entrepreneurs in the business management process. Despite the fact that women entrepreneurs are good in keeping their service prompt and delivery in time, due to lack of organizational skills compared to male entrepreneurs women have to face constraints from competition. The confidence to travel across day and night and even different regions and states are less found in women compared to male entrepreneurs. This shows the low level freedom of expression and freedom of mobility of the women entrepreneurs.
8. Knowledge of alternative source of raw materials availability and high negotiation skills are the basic requirement to run a business. Getting the raw materials from different souse with discount prices is the factor that determines the profit margin. Lack of knowledge of availability of the raw materials and low-level negotiation and bargaining skills are the factors, which affect women entrepreneur's business adventures.
9. Knowledge of latest technological changes, know how, and education level of the person are significant factor that affect business. The literacy rate of women in India is found at low level compared to male population. Many women in developing nations lack the education needed to spur successful entrepreneurship. They are ignorant of new technologies or unskilled in their use, and often unable to do research and gain the necessary training (UNIDO, 1995b, p.1). Although great advances are being made in technology, many women's illiteracy, structural difficulties, and lack of access to technical training prevent the technology from being beneficial or even available to females ("Women Entrepreneurs in Poorest Countries," 2001). According to The Economist, this lack of knowledge and the continuing treatment of women as second-class citizens keep them in a pervasive cycle of poverty ("The Female Poverty Trap," 2001). The studies indicate that uneducated women don't have the knowledge of measurement and basic accounting.
10. Low-level risk taking attitude is another factor affecting women folk decision to get into business. Low-level education provides low-level self-confidence and self-reliance to the women folk to

engage in business, which is continuous risk taking and strategic decision making profession. Investing money, maintaining the operations and ploughing back money for surplus generation requires high risk taking attitude, courage and confidence. Though the risk tolerance ability of the women folk in day-to-day life is high compared to male members, while in business it is found opposite to that.

11. Achievement motivation of the women folk found less compared to male members. The low level of education and confidence leads to low level achievement and advancement motivation among women folk to engage in business operations and running a business concern.
12. Finally high production cost of some business operations adversely affects the development of women entrepreneurs. The installation of new machineries during expansion of the productive capacity and like similar factors dissuades the women entrepreneurs from venturing into new areas.

12. How to Develop Women Entrepreneurs?

Right efforts on from all areas are required in the development of women entrepreneurs and their greater participation in the entrepreneurial activities. Following efforts can be taken into account for effective development of women entrepreneurs.

1. Consider women as specific target group for all developmental programmers.
2. Better educational facilities and schemes should be extended to women folk from government part.
3. Adequate training programme on management skills to be provided to women community.
4. Encourage women's participation in decision-making.
5. Vocational training to be extended to women community that enables them to understand the production process and production management.
6. Skill development to be done in women's polytechnics and industrial training institutes. Skills are put to work in training-cum-production workshops.
7. Training on professional competence and leadership skill to be extended to women entrepreneurs.
8. Training and counseling on a large scale of existing women entrepreneurs to remove psychological causes like lack of self-confidence and fear of success.
9. Counseling through the aid of committed NGOs, psychologists, managerial experts and technical personnel should be provided to existing and emerging women entrepreneurs.
10. Continuous monitoring and improvement of training programmers.
11. Activities in which women are trained should focus on their marketability and profitability.
12. Making provision of marketing and sales assistance from government part.
13. To encourage more passive women entrepreneurs the Women training programme should be organised that taught to recognize her own psychological needs and express them.
14. State finance corporations and financing institutions should permit by statute to extend purely trade related finance to women entrepreneurs.
15. Women's development corporations have to gain access to open-ended financing.
16. The financial institutions should provide more working capital assistance both for small scale venture and large scale ventures.
17. Making provision of micro credit system and enterprise credit system to the women entrepreneurs at local level.

18. Repeated gender sensitization programmers should be held to train financiers to treat women with dignity and respect as persons in their own right.
19. Infrastructure, in the form of industrial plots and sheds, to set up industries is to be provided by state run agencies.
20. Industrial estates could also provide marketing outlets for the display and sale of products made by women.
21. A Women Entrepreneur's Guidance Cell set up to handle the various problems of women entrepreneurs all over the state.
22. District Industries Centers and Single Window Agencies should make use of assisting women in their trade and business guidance.
23. Programmers for encouraging entrepreneurship among women are to be extended at local level.
24. Training in entrepreneurial attitudes should start at the high school level through well-designed courses, which build confidence through behavioral games.
25. More governmental schemes to motivate women entrepreneurs to engage in small scale and large-scale business ventures.
26. Involvement of Non Governmental Organizations in women entrepreneurial training programmes and counseling.

13. Conclusion

Entrepreneurship among women, no doubt improves the wealth of the nation in general and of the family in particular. Women today are more willing to take up activities that were once considered the preserve of men, and have proved that they are second to no one with respect to contribution to the growth of the economy. Women entrepreneurship must be moulded properly with entrepreneurial traits and skills to meet the changes in trends, challenges global markets and also be competent enough to sustain and strive for excellence in the entrepreneurial arena.

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