



WOMEN ENTREPRENEUR: VITAL PARTAKER FOR INCLUSIVE GROWTH

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ABSTRACT

The emergence of women entrepreneurs and their contribution to the national economy is quite visible in India and so do the problems women entrepreneurs face within the current system. This paper tries to provide an insight into the problems faced by women entrepreneurs and the possible ways to remove the obstacles. It has been widely accepted that woman still are untapped pool of entrepreneurs for the economic development. In spite of growing number of female entrepreneurs' rate is still low as compared to overall participation rate. Women entrepreneurship is both about women's position in society and their socio-economic empowerment. Few reasons why women as entrepreneurs should be studied separately are first they still are untapped sources for economic development; second because of their gender, specific gender related issues are to be addressed; third because of stereotypical view of male dominated society and last but not the least as her rate of empowerment through education is increasing she is becoming more aware about her rights and has started questioning.

"Women perform 66% of the world's work, and produce 50% of the food, yet earn only 10% of the income and own 1% of the property. Whether the issue is improving education in the developing world, or fighting global climate change, or addressing nearly any other challenge we face, empowering women is a critical part of the equation."

Former President Bill Clinton addressing the annual meeting of the Clinton Global Initiative (September 2009)

KEYWORDS: women entrepreneurs, socio-economic empowerment.

INTRODUCTION

In today's dynamic world women entrepreneurs play a significant role in sustained economic development. In the words of former president APJ Abdul Kalam, "Empowering women is 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". There is bidirectional relationship between economic development and women empowerment:-economic development can bring down the gender inequality and empowerment can benefit development. Woman entrepreneur is one who initiates, organizes and runs a business enterprise. The Government of India has defined women entrepreneur as – an enterprise owned and controlled by women having a minimum financial interest of 51 percent of the capital and giving at least 51 percent of the employment generated in the enterprise to women.

With technological advancement women have started rising as chief economic power to be considered by policy makers. They have started playing an important role in building nation's economy. Their skill in managing house with respect to the roles she plays and her ability to multitask can be directly transferred to business. Her finance management, time management, people management and material management skills used in making house a home can be

considered as microcosm of running a business. Factors responsible for the emergence and growth of the women entrepreneurs in past two decades can be attributed to general global changes and the exposure to infinite amount of information. There has been a paradigm shift in the attitude towards women, which can be backed up by data reflecting increase in female literacy rate and more number of enrolments in technical education. Women have also benefited because of globalization and international networking. Information availability round the clock and better connectivity because of technology innovations has created favorable environment for her to prosper. Indian government has also taken lots of initiatives to empower her. In the seventh five-year plan, a special chapter on the "Integration of women in development" was introduced by Government. In eighth five year plan special programs to increase employment and income-generating activities for women in rural areas was introduced. Economic development and growth is not achieved fully without the development of women entrepreneurs. In ninth five year plan government has introduced an important scheme on Trade related entrepreneurship assistance and development scheme for women (TREAD) aiming at economic empowerment of women in urban, semi-urban and rural areas. The program helps them in development of entrepreneurial skills and eliminates constraints faced by them. Apart from the five year plans 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. Various training schemes especially for the self-employment of women are introduced by government like Support for Training and Employment Programme of Women (STEP), Development of Women and Children in Rural Areas (DWCRA), Small Industry Service Institutes (SISIs). Also, role of media in strengthening them and encouraging them to stand up cannot be neglected.

Despite so many initiatives and many qualities she has, she is still struggling to make her mark. Indian society being a male dominated society; women are considered as the weaker sex and socio-economically dependent on men, be it father, husband or son, throughout their life.

According to census 2011, 48.36% is female population and the percentage of economically active population (age group 15 to 59 years) gender wise is almost same 62.8% being female and 62.2% male. Despite an almost equal population very few women run their own business and out of that most of them are engaged in micro, small and medium enterprise.

In accordance with the provision of Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 the Micro, Small and Medium Enterprises (MSME) are classified in two Classes:

(a) Manufacturing Enterprises-

The enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the industries (Development and regulation) Act, 1951) or employing plant and machinery in the process of value addition to the final product having a distinct name or character or use. The Manufacturing Enterprise are defined in terms of investment in Plant & Machinery.

b) Service Enterprises:

The enterprises engaged in providing or rendering of services and are **defined in terms of investment in equipments**

The limit for investment in plant and machinery / equipment for manufacturing / service enterprises, as notified, vide S.O. 1642(E) dtd.29-09-2006 are as under:

Manufacturing Sector	
Enterprises	Investment in plant & machinery
Micro Enterprises	Does not exceed twenty five lakh rupees
Small Enterprises	More than twenty five lakh rupees but does not exceed five crore rupees
Medium Enterprises	More than five crore rupees but does not exceed ten crore rupees
Service Sector	
Enterprises	Investment in equipments
Micro Enterprises	Does not exceed ten lakh rupees:
Small Enterprises	More than ten lakh rupees but does not exceed two crore rupees
Medium Enterprises	More than two crore rupees but does not exceed five crore rupees

According to a study, Improving Access to finance for Women-owned Businesses in India, conducted for international Finance Corporation (IFC) by MicroSave Private Limited in year 2012, around 3.01 million women owned enterprise represent about 10% of all MSMEs in the country. Collectively they contribute 3.09 percent of

industrial output and employ over 8 million people. Approximately 90 percent of woman enterprises belong to the service sector. Woman entrepreneurship is largely skewed towards smaller sized firms, as almost 98% of women owned business are micro enterprise. Approximately 90% of women owned enterprise are in the informal sector.

Classification of women-owned MSMEs

Category	Registered	Unregistered	Total	Total versus all women owned businesses (percent)	Total versus all MSMEs (percent)
Micro	274,059	2,655,318	2,929,377	97.62	9.40
Small	40,722	30,414	71,136	2.37	0.23
Medium	276	-	276	0.01	0.01
Total	315,057	2,685,732	3,000,789	100.00	10.25

(Source IFC report 2012)

Geographical distribution of women-owned MSMEs

Prevalence of women-owned businesses	State-wise share (percent)	Number of States/ Union Territories	States/ Union Territories	Combined share (percent)
High	>10.00	4	Kerala, Karnataka, Tamil Nadu, West Bengal	51.9
Medium	5.00-10.00	2	Andhra Pradesh, Madhya Pradesh	11.5
Low	2.00-4.99	7	Rajasthan, Maharashtra, Punjab, Uttar Pradesh, Bihar, Gujarat, Odisha	26.7
Very low	<1.99	20	Rest of India	9.9

(Source IFC report 2012)

Several schemes of government at central and state level exist to provide assistance for setting up enterprise for women to make them economically independent. To name a few: Mahila coir yojana (kerela), women Entrepreneurship promotion scheme 2014 (Uttar Pradesh), Swayamsidha (Indira Mahila yojana, Harayana) etc. at state level and SIDBI marketing fund for women (MFW), Trade related entrepreneurship assistance and development scheme for women (TREAD) and the likes at the centre. Despite the number of schemes, policies and various organizations and associations to promote women entrepreneurship their representation remains abysmally low at just 10.25% of all registered and unregistered MSMEs taken together. One of the reasons cited for low contribution can be attributed to her lack of awareness about financial assistance and mode of procurement and the stereotyped image she holds in Indian society.

Push and Pull of women entrepreneurship

Women entrepreneurship is both about women’s position in society and their socio-economic empowerment. The interaction between the demand and supply side of entrepreneurship are important variables which should be specifically addressed for women entrepreneurs. Supply side factors being availability of suitable women to occupy entrepreneurial roles, prior experiences of her and most importantly access to information. Demand side focuses on the number and nature of entrepreneurial roles that are created which to an extent depends on the economic scenario of nation, gendering of jobs, family policy and government initiatives. Her motivation to become an entrepreneur can be attributed to push and pull factors depending on whether circumstances created the necessity or she want to explore her skills and was challenged by an opportunity. Women who are “pulled” into entrepreneurship are more likely to be growth oriented and have higher degree of satisfaction as compared to the ones who became entrepreneurs because of situational compulsions.

PUSH FACTORS

- Necessity (Unemployment, Inadequate family income)**
- dissatisfaction in labor market**
- the need to accommodate work and home**
- Glass ceiling**
- Flexible work schedule**
- Redundancy**
- Motivation from government schemes for assistance**

PULL FACTORS

- Dream of being an entrepreneur
- Need for independence
- Gap in the market
- Need for challenge
- Rejecting stereotypical feminine identities.
- self-fulfillment,
- desire to be own boss,
- flexibility for balancing family and work,
- As a hobby,
- personal achievement (to show in the society),
- Role models and other people’s influence (friends and family).

Factors responsible for hindrance

Even with plethora of initiatives taken by government and advancement that women have made in the business world, there still is a long difficult road ahead for success rate to be even between male and female. A woman entrepreneur is all-rounder. She accepts challenges, is ambitious and hard worker

and is more educated than a decade before. Despite her strengths, their number is slowly growing, many women either just show interest or give up midway not because it is hard to become an entrepreneur but because they find journey too difficult to cover especially if family is unsupportive. The task for them becomes difficult because of umpteen troubles

faced by them at various stages right from inception to running of enterprise. The main problems which serve as the hurdles for Indian women entrepreneur are:

a) **Cultural value**

India being a patriarchal society man is seen as the bread earner of the family and women are more cherished in their domesticated role. Most Indian women are seen as soft and adaptive; aggression and assertiveness that is required to successfully run a venture is not a known characteristic in them. A woman proving her commercial competence is assumed to take control over husband and hence any deviation from her defined role is frowned and immediately restricted. On top of this she has to face role conflict as soon as she initiates any entrepreneurial activity. While a lot many women are moving out from the closed confines of their home to work and are breaking the shackles, setting up an enterprise is still seen as man's domain.

b) **Societal barriers**

The traditions and customs prevailing in Indian societies at times give preference to caste and religion and create hindrance to women entrepreneurs. In India women generally has lower social position than man which has a bearing on the type of networking required for the role. The strong and personal networks that women traditionally engage are more family related in comparison to social ties required for business purpose. They therefore, have less access to critical resources and information required to start up and run the venture. Apart from this gender inequality is widely prevalent in Indian society. According to the 2013 Human Development Report (UNDP, 2013) India ranks 132th out of 186 countries in its gender inequality index. Factors responsible for inequality like lack of decision making power, early marriage, low level of literacy etc act as limiting factor for women in starting career.

c) **Shortage of finance**

Availability of financial capital is crucial to entrepreneurial process. In India parental immovable property goes to male child by succession and therefore even if women wants to start up her business she lacks adequate financial resources and is also not able to afford external finance due to absence of tangible security to serve as collaterals in financial institutions. Male members of the family also do not want invest in woman run business because of their lack of confidence in her ability to successfully run the business. Complicated process of obtaining bank loans for startup and procuring working capital act as deterrent. Financial institutions are also skeptical about the entrepreneurial

skills of women and hence consider it as high risk proposition to grant loan to them as compared to man.

d) **Stiff Competition and Marketing problem**

Many of the women enterprises have imperfect set up. In a high competitive market they have to fight hard to survive not only against organized sector but also against their male counterpart. They depend on middleman for marketing and distribution of the products as it is dominated by males and often their security and safety concerns come in the way. These middlemen often pocket a large chunk of money for themselves resulting in lesser profit. A lot of money is needed for advertisements, in these days of tough competition, for the product to make a mark and win confidence of customer. Generally they operate in micro segment which prevents them from marketing at national or state level owing to small size of operations. They also face challenges due to socio-cultural and psychological factors which creates difficulty in gathering support for their decisions. The problems related to travelling alone or out of station because of family responsibilities also discourage them to explore new markets.

e) **Competing demands on time**

Perceived lack of time because of burden of various domestic chores and responsibility of raising children. This paucity of time does not allow them to travel to financial institutions for advice and credit information and to attend training programs for acquiring new skills. Expected Prioritization for family leaves her with very little time and energy for business activities.

f) **Shortage of raw material and High cost of production**

Women entrepreneurs face difficulty in procuring raw material and other necessary inputs for the enterprise in sufficient quantity and quality. The task becomes more difficulty with rising prices of raw material. High cost of production also restricts the development and expansion of women's enterprise, which to an extent is overcome by grants and subsidies provided by the central and state government. One of the major factors for high cost of production for women entrepreneur is technology obsolescence. But in long run for survival, expansion of production capacity is necessitated. They also face the problems related to labor, HR, infrastructure, legal formalities related to licenses and registrations and work overload.

g) **Personal factors**

Due to lack of education most of the women aren't aware about information related to business,

technological development and market. They have low risk taking capability because of protective environment in which they have been nurtured. She wears too many hats in personal life and adding the role of entrepreneur to it just complicates everything. Her inherent nature shaped out of her upbringing generates lack of self-confidence while doing business transactions. Lack of family support acts as a hindrance for her to evolve as an entrepreneur. A married woman has to strike a perfect balance between her domestic activities and business activities. Failure to do so jeopardizes her entrepreneurial role.

The obstacles mentioned are general representations; there exist regional disparities in the hurdles faced by women entrepreneurs. The woman of today has made her personal choice, stands for her rights and has courage to sail in unknown water; the need of the hour is to encourage her.

Creating an Enabling environment for Women's entrepreneurship

Being almost equal in number, when women do not participate equally in entrepreneurial process, national development cannot reach the zenith. Since the women's participation in entrepreneurial activities is still very low there is immense potential for supporting and developing women entrepreneurship. Proper positioning of "Pull" mechanism and a supportive environment for the growth of women entrepreneur is essential. Based on literature reviewed, few recommendations for the development and growth of women entrepreneur:

- Change in attitude towards women; woman who is constitutionally treated at par should enjoy the same status in real life. More generally, improving the position of women in society will have benefits in terms of women entrepreneurship. The change in mindset with respect to her stereotypical image in domesticated role has to be changed. Equal shouldering of domestic roles can serve the purpose to an extent.
- Information and awareness about entrepreneurial opportunities and entrepreneurship as a career option need to be created in society at large. In higher education entrepreneurship should be made compulsory across all streams. Vocational training should start from school level.
- Increasing awareness at the grass root level about the schemes and policies for women entrepreneur and the road map to avail them.
- Identification of successful women entrepreneurs and making them role models will help in motivating and increasing the self confidence of prospective women entrepreneurs. For this building a mentor network is

essential through which guidance and coaching could be provided.

- Leadership skill development; which encompasses skills like interpersonal, risk taking, crisis management, time and stress management, change management; workshops should be conducted.
- Training in various areas related to entrepreneurial activities.
- Banks should have certain quota for collateral free lending to women with a regular monitoring system.
- Efforts should be made to provide safe and secure environment to travel and run the business.
- Strict legal and regulatory framework to check for sexual abuses.

CONCLUSION

Societal change is a gradual and slow process; without this change the above mentioned measures aimed towards the development of women entrepreneurs may not bring drastic change. While women entrepreneurs have demonstrated their potential, the fact remains that they are capable of contributing much more than what they already are. Opportunities exist equally for both genders. In order to harness their potential and for their continued growth and development, it's just a matter of providing some special measures for stimulating and motivating them.

An entrepreneur sees opportunity where common man sees problem. Need is to identify an enterprising individual and develop her, instead of, anyone with results of substituting one zero for another. Entrepreneurship is something that cannot be totally taught as it deals with becoming enterprising which relates to foresightedness, futuristic decisions, exploitation of opportunities, creativity and dedication and definitely these are not the prerogative of only men folk.

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