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Women entrepreneurship and contribution to economic development

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Abstract

The Women entrepreneurs in India have existed at various levels and forms. They emerge out of the highly motivated and self-directed environs. They exhibit creativity and are filled with new ideas. The niche market in India supports them to build their competencies and market their products and services. Whether adventurous or a necessity over the years women entrepreneurship has acquired new milestones in India. Present study is a theoretical framework as to how the economic development has shaped up absorbing the entrepreneurship initiatives of women in India.

Keywords: incentives, values, occupation

Introduction

Indian women have covered a long way and are becoming increasingly visible and successful in all spheres. In India, women constitute around 48 percent of the population but their participation in the economic activities is only 34 percent. Since the turn of the century, the status of the women in India has been changing due to the growing industrialisation, urbanisation, spatial mobility and social legislation. With the spread of education and awareness, the traditional roles of housewives are gradually changing into women entrepreneurs.

Factors Influencing Women Entrepreneurs

Setting up an enterprise is not an easy job for women entrepreneurs and at the same time running the enterprise is a greater task. A challenge is always there for these women entrepreneurs to run their enterprise successfully earning profit and ensuring the growth of the enterprises which will severely test their entrepreneurial skill and survival of the unit. Despite various odds against them, several women are off to run their own enterprises. Even though there has been a considerable increase in the number of women entering in entrepreneurial activity, they are being introduced to many constraints and difficulties with regard to control and decision making, social status and enthusiasm in the product or serviced in which they are dealing. It is found that women are entering more in this venture as compared to man to start their own business to make social contribution in addition to desire of exploring their inner self and fulfilling their means of livelihood.

Definition of Women Entrepreneur

Government of India Defined the Women Entrepreneur as "An enterprise owned and controlled by a women having a minimum financial interest of 51% of capital and giving at least 51% of the employment generated by the enterprise to women".

Review of Literature

(Gurnani, 2014) [2] investigate the influence of psychological capital on women entrepreneurs' innovative behavior. The result indicates that women with high self-efficacy and internal locus of control scored higher on entrepreneurial innovative behavior than women with low self-efficacy and external locus of control. There was also a significant relationship between highly educated women and lowly educated women. Women are encouraged to belief in themselves while their acquisition of higher education will provide

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impetus for growth and achievement in entrepreneurial innovative activities. Further studies in relation to task

specifics are recommended.



Fig 1: Factors Influencing Women Entrepreneurs

Adki (2014)^[1] propagate that the development affects people in different parts of the world in different ways. It also affects people differently, depending whether they are male or female. Being aware of this and taking it into account in development planning and action is known today as practicing a „gender perspective“. Generally speaking, there have been a number of improvements to women’s lives in the past twenty years (Adki, 2014)^[1].

Naresh (2013)^[3] feels that in the Globalised world, women entrepreneurs are playing a vital role and they have become important part of the global quest for the 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. In India, the women role has been explicitly recognized with a market shift in the approach from women welfare to women development and empowerment from the Fifth Five Year Plan (1974-79) onwards and today the significant role of women in entrepreneurship constantly increasing due to various global factors. The Government of India has been implementing several policies and programmes for the development of women entrepreneurship in India (Naresh, 2013)^[3].

Sethi (2009)^[5] finds the emergence of entrepreneurs in a society depends to a great extent on economic, social, religious, cultural and psychological factors prevailing in the society. In many of the advanced countries of the world there

is a phenomenal increase in the number of self-employed women after the world war. In U.S women own 25% of all business, even though their sales on an average are less than 2/5th of those of other small business groups. In Canada, 1/3rd of small business are owned by women and in France, it is 1/5th. In U.K., since 1980, the number of self-employed women has increased 3 times as fast as the number of self-employed men (Sethi, 2009)^[5].

Parkash (2011)^[4] feels the educated Indian women have to go a long way to achieve equal rights and position because traditions are deep rooted in Indian society where the sociological set up has been a male dominated one. Despite all the social hurdles, Indian women stand tall from the rest of the crowd and are applauded for their achievements in their respective field. The transformation of social fabric of the Indian society, in terms of increased educational status of women and varied aspirations for better living, necessitated a change in the life style of Indian women. She has competed with man and successfully stood up with him in every walk of life and business is no exception for this. These women leaders are assertive, persuasive and willing to take risks. They managed to survive and succeed in this cut throat competition with their hard work, diligence and perseverance (Parkash, 2011)^[4].

Types of Women Entrepreneurs

According to J.A Schumpeter, “women who innovates,

imitates, or adopts a business activity is called woman entrepreneur". Thus women entrepreneur are those women who initiate, organize and operate business enterprise and want to prove their mettle in innovative and competitive jobs.

Women entrepreneurs in India are broadly divided into the following categories;

1. Affluent Entrepreneurs
2. Pull Factors
3. Push
4. Self-Employed Entrepreneurs
5. Rural Entrepreneurs.

1. Affluent Entrepreneurs

Affluent women entrepreneurs are those women entrepreneurs who hail from rich business families. They are the daughters, daughter-in laws, sisters, sisters, sister-in-law and wives of affluent people in the society. Many of them are engaged in beauty parlour, interior decoration, book publishing, film distribution and the like. The family supports the above type of entrepreneur in carrying out their responsibilities

2. Pull Factors

Women in towns and cities take up entrepreneurship as a challenge to do something new and to be economically independent. These are coming under the category of pull factors. They belong to educated women risk is low. Under this category, women usually start service center schools, food catering centers, restaurants, grocery shops etc.

3. Push Factors

There are some women entrepreneurs who accept entrepreneurial activities to overcome financial difficulties. The family situation forces them either to develop the existing family business or to start new ventures to improve the economic conditions of the family. Such categories of entrepreneurs are termed as push factors.

4. Self-Employed Entrepreneur

Poor and very poor women in villages and town rely heavily on their own efforts for sustenance. they start tiny and small enterprises like brooms making, wax candle making, providing tea and coffee to offices, ironing of clothes knitting work, tailoring firm etc. such women are called self-employed entrepreneurs.

5. Rural Entrepreneurs

Women in rural areas/villages start enterprises which needs least organizing skill and less risk. Dairy products, pickles, fruit juices, pappads and jiggery making are coming under this category of rural entrepreneur.

Reasons for Women Becoming Entrepreneurs

Women of India have broken free all shackles and have indulged in every possible business. Main reasons for women to come up in business are skill, knowledge and adaptability. Women entrepreneur is a person who accepts all the challenges to meet her personal needs and become financially independent. A strong desire of Indian women to do something positive and contributing has motivated them to build entrepreneurial qualities. Women have the potential of contributing values in family and society both. Due to exposure provided by media women are aware of their traits,

rights and also work situation. Today's digital era provides great opportunities to women and hence they are become employment givers from employment seekers. Earlier women used to turn to entrepreneurship because of any unfortunate events like death in family, divorce, discrimination, financial crises and the like. But today women are turning to entrepreneurship to carve their own destinies.

Problems of Women Entrepreneurs in India

The status of women suffered a lot of problems in earlier times. She was engaged in various social evils such as the ritual of sati, jauhar (mass suicide), child marriage, restriction on widow remarriage, purdah system, devadasis (servant of God). Though, presently she has come out of these evils, still it is understood that her role is confined to building and maintaining of homely affairs like task of fetching water, cooking and rearing children. Though woman has proved herself in this male directing world but still she suffers a lot of problems which are discussed as under:

Male Dominating Society

The main problem to women entrepreneurs is that they are women. A 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.

Family Obligations

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". 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.

Marketing

The other hand women face marketing challenges in the form of competition from cheaper and substitute product, delayed payment and liberal credit terms. Women entrepreneurs neither have knowledge nor access to proper market, thus they sell their product through the middle man. This middle man exploits them and entrepreneur received for price than desired even if the demand of product is high.

Finance

Finance is a critical resource for venture creation. It is very important that women entrepreneurs have adequate knowledge and information of the various financial institutions which are rendering financial incentives and many other help for the women entrepreneurs in the region. Women entrepreneurs are not able to have access for external finance.

An important reason that makes banks reluctant to provide loans is the inability of the women entrepreneurs to provide collaterals. The complicated procedure of bank loans also creates lot of problems in getting the required finance. Obtaining the support of bankers, lack of credit resources and managing the working capital are the problems that still remain in the males' domain.

Management Problem

It is normally believed that women have low managerial skill. But in fact women are stronger in more logic based skills though they are weaker in self-promotion and handling frustration. The increasing number of female students and their excellent performance in management education is a proof to the fact.

Mobility Constraints

Women in India have got restricted mobility, our society is a conservative society, and the career of women was limited to four walls of kitchen. Although now, women have got relatively more freedom in terms of entrepreneurial activity but also by the family members if they move out after normal hours. Though women faced lots of problems being mobile in entrepreneurial activity, the mobility problem has been solved to certain extent by the expansion of education awareness to all.

Dual Responsibility

The most exploited individual of the day are the working women, as they have to perform dual responsibility, one at work and another as family as mother of wife. The level of women exploitation on family responsibility ground depends on her social dependence.

Risk-Bearing Ability

One pre-requisites of the entrepreneurial success is risk taking. It is normally believe that women being feminist gender have low risk taking ability. They are being suppressed by the protected environment and are not allowed most of the time to take any type of risk even if she is willing or she has the ability to bear.

Scarcity of Raw Materials

The scarcity of required raw materials is the major problem faced by women entrepreneurs. They find it difficult to procure the required raw materials and other essential inputs for production in sufficient quantity and quality, because the prices of raw materials are quite high and fluctuate. In addition to the above problems, high cost of production, inadequate power supply, non-availability of labour, lack of self-confidence and socio-economic constraints hold the women back from entering into business.

Key Changes in Women Entrepreneurs in Last Five Decades

- **Women Entrepreneurs of the Fifties:** Compulsive factors led to the creation of women entrepreneurs.
- **Women Entrepreneurs of the Sixties:** Women began to aspire but also accepted the social cultural traditions
- **Women Entrepreneurs of the Seventies:** The women in this decade opened up new frontier. They had not only aspiration but ambition.
- **Women Entrepreneurs of the Eighties:** Women were educated in highly sophisticated, technological and professional education. They became equally contributing partners.
- **Women Entrepreneurs of the Nineties:** This was the first time when the concept of best rather than male heir was talked about.
- **Women Entrepreneurs of the 21st Century:** "Jill of all trades"

Since the 21st century, the status of women in India has been changing as a result to mounting industrialization and urbanization and social legislation. Over the years, more and more women are going in for higher education, technical and professional education and their proportion in the workforce has also been increased. With the spread of education and awareness, women have shifted from the kitchen, handicrafts and traditional cottage industries to non-traditional higher levels of activities.

The Government has also laid special weight age on the requirement for conducting special entrepreneurial training programs for women to enable them to start their own ventures. Financial institutions and banks have also set up particular cells to help women entrepreneurs. This has rebound the women entrepreneurs on the economic scene in the recent years although many women's entrepreneurship enterprises are still remained a much neglected field. Though, for women there are quite a lot of handicaps to enter into and manage business ownership due to the intensely entrenched conventional state of mind and strict principles of the Indian society

Development Activities of Women Entrepreneurs in India

In India, entrepreneurship for the development of women is an essential part of human resource when compared with other countries. But, the growth of women entrepreneurship is very low in India, especially in the rural areas. Moreover, women from middle class are less enthusiastic to change their role because of their fear to face the social backlash. The development is more found in the families at upper class society in urban areas.

Several institutional arrangements have been made to protect and develop women entrepreneurship in India. The Nationalized Banks and State Financial Corporations advance loans to women entrepreneurs on a preferential basis. State Industrial Development Corporations and District Industries Centers give loans, subsidies and grants to small-scale women entrepreneurs. State level agencies help women entrepreneurs in preparing project reports, purchasing machinery and building and training and hiring staff. The Federation of Indian Chambers of Commerce and Industry (FICCI), FICCI Ladies Organisation (FLO), National Alliance of Young Entrepreneurs (NAYE) and other voluntary agencies lend assistance to women entrepreneurs. Under the Social Education Scheme of Community Development Programme, Mahila Sangams (Women's groups) were organized and women's Industrial co-operatives were set up in 1958.

Within the overall aim of promoting regional co-operation by strengthening technology transfer mechanism in the Asia-Pacific Region, the Asian and Pacific Centre for Transfer of Technology have actively been promoting development of women entrepreneurship and participation of women in the field of technology. The APCTT implements projects which have been funded by multi-and bilateral donor organization for technical training for women and programmes for technology exposure training for trainers in spreading technology to rural women. Under the banner of "Technology sharing among grass-root women's groups in the food processing sector" the Centre organised a series of workshops and technical training programmes were organized by the centre during 1997-1998.

In addition, various government agencies are involved in the

development, promotion, monitoring, evaluation and expansion of women entrepreneurship programmes. Some of them are listed here, namely

- Entrepreneurial Development Institute (EDI),
- National Small Industries Corporation Limited (NSIC),
- Small Industries Development Organisation (SIDO),
- District Industries Centre (DIC),
- National Level Standing Committee on Women Entrepreneurs (NLSCWE),
- National Research Corporation of India (NRDCI),
- The National Alliance of Young Entrepreneurs (NAYE),
- Indian Council of Women Entrepreneurs (ICWE),
- Federation of Indian Chambers of Commerce and Industry (FICCI),
- National Commission of Self Employed Women in the Informal Sector (NCSEWIS),
- World Association of Women Entrepreneurs (WAWEE),
- Associated Country Women of the World (ACWW),
- National Association of Women Entrepreneurs and Executives (NAWEE),
- The Industrial Development Bank of India (IDBI),
- Industrial Finance Corporation of India (IFCI),
- Self-Employed to Educated Unemployed Youth (SEEUY),
- Women Development Project (WDP),
- Development of Women and Children in Rural Area (DWCRA),
- Science and Technology for Women (STW),
- Training of Rural Youth for Self Employment (TRYSEM),
- National Institute for Entrepreneurship and Small Business Development (NIESBUD).

The women entrepreneurs have to approach the nearest commercial banks, institutions and co-operatives to know the different schemes and to take advantage of this programme of assistance.

Remedies to Overcome the Problems

1) Creation of Finance Cells

The financial institutions and banks which provide finances to entrepreneurs must create special cells for providing easy finance to women entrepreneurs.

2) Concessional Rates of Interest

The women entrepreneurs should be provided finance at concessional rate of interests and on easy repayment basis. The cumbersome formalities should be avoided in sanctioning the loans to women entrepreneurs.

3) Proper Supply of Raw Materials

Women entrepreneurs should be ensured of proper supply of scarce raw materials on priority basis. A subsidy may also be offered to make the products manufactured by women entrepreneurs to make the cost competitive and reasonable.

4) Offering Training Facilities

Training is essential for the development of entrepreneurship. It enables the women entrepreneurs to undertake the venture successfully as it imparts required skills to run the enterprise.

5) Industrial Policies

The new industrial policy of government has specially

highlighted the need for conducting special entrepreneurship programme for women.

6) Institutions and Voluntary Association

Several voluntary agencies like FICCI Ladies Organization (FLO), National Alliance of Youth Entrepreneurs (NAYE) and others assist women entrepreneurs.

NAYE has the leading institution engaged in the promotion and development of entrepreneurship among women. It convened a conference of women entrepreneurs in November 1975. It assists women entrepreneurs in:

- Getting better access to capital, infrastructure and market.
- Identifying investment opportunities.
- Developing managerial and productive capabilities.
- Attending to problems by taking up individual cases with appropriate authorities.
- Sponsoring participation in trade fairs, exhibitions, special conferences etc.

7) Setting up Marketing Co-operatives

Proper encouragement and assistance should be provided to women entrepreneurs for setting up marketing co-operatives. These co-operatives shall help in getting the input at reasonable rate and they are helpful in setting their products at remuneration prices.

Suggestions

Right efforts on from all areas are required in the development of women entrepreneurs. Role of rural women entrepreneurs in economic development is inevitable. The following efforts can be taken into account for effective development of women entrepreneurship.

1. Better educational facilities and schemes should be extended to women folk.
2. Training Programme on management skill should be provided to women community.
3. Counselling through the aid of committed NGOs, Psychologists, managerial experts & technical personnel should be provided.
4. Making provisions of marketing & sales assistance from the Government.
5. Making provisions of micro credit system & enterprise credit system to the women entrepreneurs at local level.
6. A women entrepreneur's guidance cell set up to handle the various problems of women entrepreneurs all over the state.
7. Training entrepreneurial attitudes should be given at the High School level.

Conclusion

The reasons as to why women become entrepreneurs have changed over the years. The earlier reasons could be traumatic events, such as divorce, discrimination, layoffs, economic reasons and the like. There is shift from such reasons to creativity, niche market, innovativeness and the like. The tendency to become entrepreneurs is emerging at gross root levels covering every nook and corner of the country. This change is for the good of the society and the economy. The sea change in the market horizons and scope is here to encourage more and more women entrepreneurs to enter the arena.

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