

A PARADIGM OF THE INDIAN WOMEN IN ENTREPRENEURIAL WORLD-PROBLEMS AND FUTURE DEVELOPMENT PROSPECTS

Deepti

Abstract

Entrepreneurship amongst women has been a recent concern. 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 sociological set up has made to depend on men folk in their family and outside world. The women leaders are assertive, persuasive and risk takers and face cut throat competition. The paper has three overarching objectives. The first is to document the development of body of work known as women entrepreneurship. The second is to examine problems women faced during setting up and continued operation of their businesses and the work family conflicts that these women faced. The third is to discuss future prospects and development of female entrepreneurs with broader literature. This issue is currently very important since it is a part of ongoing national efforts to alleviate poverty and enhance economic development in both rural and urban India along worldwide. Therefore, there is need of continuous attempt to inspire, encourage, motivate and cooperative support for conducting businesses in various areas.

Keywords Entrepreneurship, Women, Business, Economic Development.

Introduction

In recent years, entrepreneurship has attained wide prevalence around the globe. Entrepreneur is the pivot & key driver of economic activity in addition to being a propeller of progress.

In the developing world, Successful small businesses are the primary engines of job creation, income growth, and poverty reduction. Business and Industry Advisory Committee to the **Organization for Economic Cooperation and Development (OECD)** said in 2003, "Entrepreneurship fosters job creation and economic growth". Entrepreneurship is not only potentially lucrative but also provides people with challenges and opportunities to maximize their power & autonomy (**Heilman & Chen, 2003**). The entrepreneurship is beneficial for individual entrepreneur on one hand and aids in development of economy on the other. The presence of entrepreneurs in an economy is a symbol of economic growth. Entrepreneurs not only explain the level of income of society, but also it's dynamic of change (**Cuero, 2005**).

Concept of Entrepreneur and Entrepreneurship

Schumpeter said that An entrepreneur in an advanced economy is an individual who introduces something new in the economy, a method of production not yet tested by experience in the branch of manufacture concerned, a product with which consumers are not yet familiar, a new source of raw

material or of new market and the like". According to **Cantillon** "An entrepreneur is the agent who buys factors of production at certain prices in order to combine them into a product with a view to selling it at uncertain prices in future". To conclude an entrepreneur is the person who bears risk, unites various factors of production, to exploit the perceived opportunities in order to evoke demand, create wealth and employment. **J.B. Say** is of opinion that "An Entrepreneur is the economic agent who unites all means of production; land of one, the labour of another and the capital of yet another and thus produces a product. By selling the product in the market it pays rent of land, wages to labour, interest on capital and what remains is his profit". Thus an Entrepreneur is an organizer who combines various factors of production to produce a socially viable product.

Entrepreneurship as a scholarly field seeks to understand how opportunities bring into existence "future" goods and services are discovered, created, and exploited, by whom, and with what consequences. **Schumpeter (1976)** is of opinion that strong premise is probably most familiar to people as Schumpeter's "process of creative destruction and entrepreneurship is essentially a creative activity or it is an innovative function". **David McClelland** emphasized the importance of achievement motivation as the basis of entrepreneurial personality and a cause of economic and

social development through entrepreneurship by fulfilling the following needs such as 1) Need for power 2) Need for affiliation and 3) Need for achievement. Another **school of thought** says "entrepreneurship is a function of several factors i.e. individual socio cultural environment and support system". **Baruah et al.**, are of opinion that Entrepreneurship is vibrant assertion of the facts that individual can be developed, then outlook can be changed and their ideas can be converted into action though on organized and systematic program for entrepreneurs. It was also felt that systematic training can be given a better output and attracting people for taking up business venture can change economic scenario.

Women Entrepreneurship

Men and women are two wheels of society and contribution of both is prerequisite for building healthy nation. However, the role of women has been magnified by French poet, writer & statesman Lamartine (1790-1869) by saying that "there is a woman at the commencement of all great things" & according to Sir Rabindranath Tagore "woman is the builder and molder of nation's destiny."

The liberalization impelled women to shoulder economic activities and get into role of an entrepreneur. The role of women in the society is undergoing a blissful change. They are not accomplishing the family needs by means of effective

application of income but now they are income generators too. Initially, all the entrepreneurial activities are restricted to metropolitans and state capitals. But now such advancement came in small towns and villages across the country. In the words of Pandit Nehru, "When women moves forward, the family moves, the village moves and the nation moves". Empowerment is a process of awareness capacity building, leading to a greater participation and greater decision making power. The process of empowerment strengthens women's inherent ability through acquiring knowledge, power and experience (Murugan & Dharmalingam, 2000). To raise the status of women, they must be empowered socially, economically & politically. Empowerment protect as a persuasive instrument for women to achieve upward social & economic mobility and to achieve power & dignity in the society. This below figure represents participation rates of males and females of year 2011 in India along with states (Haryana, Punjab and Delhi).

Literature Review

Das (2000) performed a study on women entrepreneurs of SMEs in two states Tamil Nadu and Kerala. It was found that initial problems faced by women entrepreneurs are quite similar to those faced by women in western countries. In the study Indian women entrepreneurs faced lower level of work-family conflict and are also found to differ from their counterparts in western countries on the basis of reasons for starting and succeeding in business. Similar trends are also found in other Asian countries such as Indonesia and Singapore. The statistics showed that the proportion of business setup operated by women is much lower than the figures found in western countries.

Greeneet.al. (2003), evaluated the research & publication contribution in the area of women entrepreneurship. The study categorized various journal & resources of research on the basis of certain parameters concerned with women entrepreneurship like gender discrimination, personal attributes, financing challenges, business unit, context and feminist perspectives. It was found that women's contribution in business was lower than the other countries.

Damwad, (2007), described the experiences, initiatives & obstacles faced at five Nordic countries like Finland, Denmark, Iceland, Norway & Sweden towards women entrepreneurship. The study identified few obstacles like financing, lack of knowledge & skills in business life, markets &

entrepreneurial activity, work life balance including lack of growth & wishes to grow and most importantly women as other groups are heterogeneous. The study compared early stage entrepreneurial male & female activity among Nordic countries with the same of USA and various programme & schemes developed by Nordic countries & agencies that provide support to them. The Nordic countries need a framework for policy learning develop a proper policy mix towards promoting women entrepreneurship.

Lall and Sahai, (2008), conducted a comparative assessment of multi-dimensional issues & challenges of women entrepreneurship & family business. The study identified Psychographic variables like, degree of commitment, entrepreneurial challenges & future plan for expansion, based on demographic variables. The data was collected through stratified random sampling & convenience sampling from women entrepreneurs working in urban area of Lucknow. The study identified business owner's characteristics as self-perception and self-esteem, Entrepreneurial intensity & operational problem for future plans for growth & expansion. The study suggested that though, there has been considerable growth in number of women opting to work in family owned business but they still have lower status and face more operational challenges in running business.

Singh, 2008, identified the reasons & influencing factors behind entry of women in entrepreneurship. The study explained the characteristics of their businesses in Indian context and also obstacles & challenges. It was found that the obstacles in the growth of women entrepreneurship are mainly lack of interaction with successful entrepreneurs, social rejection as women entrepreneurs, family responsibility, gender discrimination, missing network, low priority given by bankers to provide loan to women entrepreneurs. The study suggested that the remedial measures like promoting micro enterprises, unlocking institutional frame work, projecting & pulling to grow & support the winners etc. The study advocated for ensuring synergy among women related ministry, economic ministry & social & welfare development ministry of the Government of India.

Tambunan, (2009), studied recent development of women entrepreneurs in Asian developing countries. The study focused mainly on women entrepreneurs in small and medium enterprises based on data analysis and review of recent key literature. This study found that in Asian developing countries SMEs are gaining overwhelming

importance; more than 95% of all firms in all sectors on average per country. The study also depicted the fact that representation of women entrepreneurs in this region is relatively low due to factors like low level of education, lack of capital and cultural or religious constraints. However, the study revealed that most of the women entrepreneurs in SMEs are from the category of forced entrepreneurs seeking for better family incomes.

Objectives of Study

The study is based on secondary data which is collected from the published reports of RBI, NABARD, Census Surveys, SSI Reports, newspapers, journals, websites, etc. The study was planned with the following objectives:

- 1) To evaluate the reasons for becoming women entrepreneurs.
- 2) To critically evaluate the problems faced by the women entrepreneurs.
- 3) To study the various government schemes available to develop and improve women entrepreneurs in India.

Reasons for women becoming entrepreneurs

The women are found indulged in every line of business. The entry of women into business in India is traced out as an extension of their kitchen activities, mainly 3P's, Pickle, Powder and Pappad. But with the passage of time and spread of education women started shifting from 3P's to modern 3E's i.e., Energy, Electronics and Engineering. Skill, knowledge and adaptability in business are the main reasons for women to emerge into business ventures. Women Entrepreneur is a person who accepts challenging role to meet her personal needs and become economically independent. A strong desire to do something positive is an inbuilt quality of entrepreneurial women, who is capable of contributing values in both family and social life. With the arrival of media, women are aware of their own traits, rights and also the work situations. The challenges and opportunities provided to the women of digital era are growing rapidly that the job seekers are turning into job creators. Many women started a business due to some traumatic event, such as divorce, discrimination due to pregnancy or the corporate glass ceiling, the health of a family member, or economic reasons such as a layoff. The examples of certain successful women's in 21st century are mentioned below.

S.No.	Entrepreneur Name	Post	Organizations name
1	Akhila srinivasan	Managing Director	Shriram Investments Ltd.
2	Chanda Kocchar	Executive Director	ICICI Bank
3	Ekta Kapoor	Creative Director	Balaji Telefilms Ltd.
4	Jyoti Naik	President	Lijjat Papad
5	Kiran Mazumdar Shaw	Chairman & Managing director	Biocon Ltd.
6	Lalita D.Gupte	JMD	ICICI Bank
7	Naina Lal Kidwar	Deputy CEO	HBSE
8	Preetha Reddy	Managing Director	Apollo hospitals
9	Priya Paul	Chairman	Apeejay Park Hotels
10	Rajshree Pathy	Chairman	Rajshree Sugars & Chemicals Ltd.
11	Ranjana Kumar	Chairman	NABARD



But a new talent pool of women entrepreneurs is forming today, as more women opt to leave corporate world to chart their own destinies. They are flourishing as designers, interior decorators, exporters, publishers, garment manufacturers and still exploring new avenues of economic participation. The following flow chart shows the reasons for women becoming entrepreneurs

Problems faced by women entrepreneurs in India

Highly educated, talented and professionally qualified women should be encouraged for

running their own business, rather than reliant on wage service jobs. The uncharted talents of young women can be acknowledged, skillful and used for various

types of industries to increase the yield in the business sector. A desirable atmosphere is necessary for every woman to inculcate entrepreneurial values and involve greatly in

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

Short of Self-Confidence – In India women have lack of self-confidence in their strength and ability. The family members and the society are unwilling to stand beside their organizational growth. To a certain degree, this situation is changing with Indian women and yet to face an incredible amend to boost the rate of growth in entrepreneurship.

Socio-Cultural Barriers –Family and personal obligations sometimes works as a great barrier for succeeding in business career of women entrepreneurship. Only few women are capable of managing both home and business efficiently, giving sufficient time to perform all their responsibilities in priority.

Mobility Constraints - Women in India have to face lot of restriction on their mobility, our society still have some conservativeness, and due to that career of women is limited to four walls of kitchen. Though women faced lots of problems being mobile in entrepreneurial activity, the mobility problem has been eliminated to very certain extent by the expansion of education awareness to all.

Business Administration Knowledge – Women must be educated and trained continuously to acquire the skills and understanding in all the required functional areas of business venture. This will make women to excel in decision making and develop good business skills.

Financial Assistance – most of the women especially in rural areas are not aware about the financial assistance provided by various institutions. The efforts taken for women entrepreneurs may not able to reach the entrepreneurs in rural and backward areas.

Training Programs - Depending upon the needs, duration, skill and the purpose of entrepreneur there are various workshops and training programs available the social & welfare association. Such kinds of programs are really helpful to new and young entrepreneurs who desire to start a small and medium sized business on their own.

Cost - Some businesses have highly production and operation cost that adversely affects the expansion of women entrepreneurs. The installations of new machineries during expansion of the productive capacity and like similar factors discourage the women entrepreneurs from entering into new areas.

Schemes for promotion of women entrepreneurs in India

According to the Third All India Census of Small Scale Industries conducted in 2001-02 and subsequent estimates made, only

10.11% of the Micro and Small Enterprises in India are owned by women while 9.46% of the MSE enterprises are managed by women. In order to promote progressively women enterprises in the MSE sector, various schemes have been formulated by this Ministry and some more are in the process of being finalized, aims only at the development of women enterprises in India.

1. Trade related entrepreneurship assistance and development scheme for women (TREAD): With the objective of encouraging women in starting their own ventures, government launched a Scheme, namely, (TREAD) Trade Related Entrepreneurship Assistance and Development during the 11th Plan. The scheme envisaged economic empowerment of women through the development of their entrepreneurial skills in non-farm activities. There are three major parts of the scheme. Govt. of India has grant up to 30% of the total project cost to the Non-Government Organizations (NGOs) for promoting entrepreneurship among women. The remaining 70% of the total project cost is financed by the lending agency as loan for undertaking activities as envisaged in the project. Up to Rs.1 lakh per program can be granted by govt. of India to training institutions / NGOs for providing training to the women entrepreneurs.

2. Micro & Small Enterprises Cluster Development Programme (MSE-CDP): The scheme is beneficial for both the existing and new enterprises.

a) Existing Clusters: Cluster is described as a group of enterprises, normally 20 or more producing same/similar products/services. The Cluster Development Programme being implemented envisages diagnostic study of identified clusters of traditional skill-based MSEs to identify suitable technologies and their providers and to facilitate adoption of available technology meeting the specific needs of the end users. The Cluster Development goals at improved competitiveness, technology improvement, adoption of best manufacturing practices, marketing of products, employment generation etc. The scheme provides support for capacity building, common facilities, marketing etc. the delivery, absorption and diffusion of the identified technology from its producers to the recipient user/cluster of small enterprises.

b) Physical infrastructure: This Ministry implemented the IID Scheme to provide

developed sites with infrastructural facilities like exhibition/display centers, telecommunications, drainage and pollution control facilities power distribution network, roads, water, raw materials, common service facilities storage and marketing outlets, and technological back-up services, etc. This scheme has been subsumed in the MS-ME-Cluster Development Programme. All the features of IID Scheme have been retained. To create physical infrastructure for women enterprises central grant of 40% of the project cost subject to a maximum of Rs.2 crore is available. The Ministry of MSME is trying to enhance the quantum of grant to 80% in a project of Rs.10 crore.

3. Credit guarantee fund scheme: In May, 2000 The Government had introduced the Credit Guarantee Fund Scheme for Small Industries with the objective of providing credit to SSI units, particularly small units, for loans up to Rs. 25 lakh with no collateral/ third party guarantees. The Scheme is being operated by the Credit Guarantee Fund Trust for Small Industries (CGTSI) set up jointly by the Government of India and SIDBI. In the case of women enterprises, the guarantee cover is up to 80% of the credit subject to maximum guarantee limit of Rs. 20 lakh. The member lending institutions (MLI) availing of guarantee from the Trust have to pay a one-time guarantee fee of 1.5% of the credit facility (comprising term loan and / or working capital) allowed by the lending institution to the borrower and annual service fee of 0.75% per annum on the amount of credit facility extended by the MLI, which is covered under the scheme.

4. Help for Entrepreneurial and Managerial Development: MSME DIs regularly conducts EDPs/MDPs for existing and potential entrepreneurs and charge fee for such courses. To encourage more entrepreneurs from among the SC/ST, women and physically challenged groups, it is proposed that such beneficiaries will not be charged any fees but, instead paid a stipend of Rs.500/- per capita per month. 50,000 entrepreneurs will be trained in IT, Fashion Technology, Agro & Food Processing, Catering, biotechnology Pharmaceutical, etc. through specialized courses run by MSME DIs. 20% of courses conducted by these Institutions shall be exclusively for women

5. Scheme for Women Entrepreneurs to Encourage Small & Micro Manufacturing Units: Government has formulated a scheme for women entrepreneurs to support Small & Micro

manufacturing units owned by women in their efforts at developing overseas markets, to enhance participation of representatives of small/micro manufacturing enterprises under SIDO stall at International Trade Fairs/Exhibitions, to enhance export

from such units. Under this scheme participation of women entrepreneurs in 25 international exhibitions is envisaged during the 11th Plan. For the year 2007-08 a good number of outstanding women entrepreneur associations have been requested to sponsor their members for

participation in 5 international exhibitions scheduled during the months of Jan.-March, 2008, With a view to give confidence to women entrepreneurs for participating in the International Exhibitions.

6. Dena Bank to support India's women entrepreneur: Dena Bank will help Government of India's initiative to promote women entrepreneurs for self-employment ventures in any kind of non-farm activity. Certain other schemes available are mentioned below:

Assistance to Rural Women in Non-Farm Development (ARWIND) schemes	Entrepreneurial Development programme (EDPs)
Training of Rural Youth for Self-Employment (TRYSEM)	Indira Mahila Yojana
Working Women's Forum	Trade Related Entrepreneurship Assistance and Development (TREAD)
SBI's Stree Shakti Scheme	SIDBI's Mahila Udyam Nidhi
Rajiv Gandhi Mahila Vikas Pariyojana (RGMVP)	Rashtriya Mahila Kosh
Prime Minister's Rojgar Yojana (PMRY)	Priyadarshini Project- A programme for Rural Women Empowerment and Livelihood in Mid Gangetic Plains'
Indira Mahila Kendra	Integrated Rural Development Programme (IRDP)
National Banks for Agriculture and Rural Development's Schemes	NABARD- KfW-SEWA Bank project
NGO's Credit Schemes	Micro & Small Enterprises Cluster Development Programmes (MSE-CDP)
Micro Credit Scheme	Mahila Vikas Nidhi
Mahila Samiti Yojana	Mahila Vikas Nidhi
Marketing of Non-Farm Products of Rural Women (MAHIMA)	Women's Development Corporations (WDCs)
Management Development programmes	Khadi And Village Industries Commission (KVIC)

Work Participation Rates

Work Participation Rates (2011)		
Particulars	Females (%)	Males (%)
Haryana	4.554	23.117
Punjab	4.275	26.182
Delhi	7.446	27.178
India	7.379	22.563

Source-Census of India, 2011

Conclusion

It can be said that today we are in better position wherein women participation in the field of entrepreneurship is increasing at a considerable rate efforts are being taken at the economy as brought promise of equality of opportunity in all spheres to the Indian women and laws guaranteed equal rights of participation in political process and equal opportunities and rights in education and employment were enacted. But unfortunately, the govt. sponsored development activities have benefited only a small section of women i.e. the urban middle class women. Women sector occupies nearly 45% of the Indian population. Work Participation Rates are one-third of men. So Women entrepreneurs need to be encouraged for economic development. Developing countries are definitely in dire need to encourage women entrepreneurship as women workforce is promptly available to exploit the unexplored dimensions of business ventures.

Self-confidence, self-esteem, educational level and knowledge make women handle different tasks in life. Women Entrepreneurs not only require motivation in the form of financial assistance, govt. permissions, they may require support from family members and life partners.

References

- Damwad, (2007). *Women Entrepreneurship – A Nordic Perspective*. Nordic Innovation Centre.
- Desai, V. (2000). *Entrepreneurship Development*. Hyderabad: Himalaya Publishing House.
- Goyal, M., & Prakash, J. (2011). *Women entrepreneurship in India problems and prospects*, *International journal of multidisciplinary research*, 1(5).
- Khanka, S.S. (1999). *Entrepreneurial Development*. New Delhi: S. Chand & Co.
- Khole, R.R., & Deshmukh. P.R. (2001). *Entrepreneurship Development and Communication Skills*. Scientific Publishers (India).
- Lall, Madhurima & Sahai.S. (2008). *Women in Family Business*, Indian School of Business.
- Mohanty, S.K. (2009). *Fundamentals of Entrepreneurship*. Prentice Hall of India Pvt. Ltd., New Delhi.
- *Population enumeration data*. (2015). Retrieved from http://www.censusindia.gov.in/2011census/population_enumeration.html
- Rani, D. L. (1996). *Women Entrepreneurs*. New Delhi: APH Publishing House.
- S. Venketaran, S. (2014). *The Distinctive Domain of Entrepreneurship Research*, 119-130.

- *Singh, Kamala (1992). Women Entrepreneurs. New Delhi: Ashish Publishing House.*
- *Tambunan, Tulus. (2009). Women entrepreneurship in Asian developing countries: Their development and main constraints. Journal of Development and Agricultural Economics, 1(2), 27-40.*