



Women Entrepreneur and Economic Development of India

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Introduction

The emergence of women entrepreneurs and their contribution to the national economy is quite visible in India. The number of women entrepreneurs has grown over a period of time, especially in the 1990s. Women entrepreneurs need to be lauded for their increased utilisation of modern technology, increased investments, finding a niche in the export market, creating a sizeable employment for others, and setting the trend for other women entrepreneurs in the organised sector. While women entrepreneurs have demonstrated their potential, the fact remains that they are capable of contributing much more than what they already are.

Women's entrepreneurship needs to be studied separately for two main reasons. The first reason is that women entrepreneurship has been recognised during the last decade as an important untapped source of economic growth. Women entrepreneurs create new jobs for themselves and others, and also by being different, they provide the society with different solutions, like management, organisation and solutions to business problems. The second reason is that the topic of women entrepreneurship has been largely neglected both, in society in general and in the social sciences.

Definition

Women Entrepreneur may be defined as the woman or a group of women, who initiate, organise and operate a business enterprise. According to definition given by the government of India 'A woman entrepreneur is an enterprise owned and controlled by a woman having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of employment generated in the enterprise to women'. Women Entrepreneurs can be broadly classified into four categories –

1. Affluent Entrepreneurs

These are daughters and wives of wealthy businessmen. These women have financial aid and necessary resources to start a new enterprise and business risks.



2. Pull Factors

These are educated women living in urban areas with or without work experience who take the risk of a new enterprise with the help of financial institutions and commercial banks. These women take up a new business as a challenge in order to be financially independent.

3. Push Factors

These women take up some business activity in order to overcome financial difficulties. Generally widows and single women manage an existing family business or develop a new business due to difficult family situations.

4. Rural Entrepreneurs

They are uneducated women who fall below the poverty line. They choose tiny and small enterprise which are convenient to manage and adequate for the sustenance of their family.

Some successful women entrepreneurs in India

In India we have a long list of women entrepreneurs. The reasons these women have entered into entrepreneurship may be different. Some might have entered to develop their family business, some of them to be financially independent. There are certain women who have started enterprise to bring out their family out of financial crisis. Some successful Women Entrepreneurs in India are

Akhila Srinivasan, Managing Director, Shriram Investment Ltd

Chanda Kochhar, Executive Director, ICICI Bank

Ekta Kapoor, Creative Director, Balaji Telefilms Ltd

Jyoti Naik, President, LijjatPapad

Kiran Mazumdar Shaw, Chairman and Managing director, Biocon Ltd

Lalita D. Gupta, JMD, ICICI Bank

NainaLal Kidwai, Deputy CEO, HSBC

Preetha Reddy, Managing Director, Apollo Hospital

Priya Paul, Chairman, ApeejayPark Hotel

Rajshree Pathy, Chairman, Rajshree Sugar and Chemical ltd

Ranjana Kumar, Chairman, NABARD

Contribution of Women Entrepreneurs



In India, women dominate the micro enterprise sector both in rural and urban areas. According to the central statistical authority close to 70 per cent of the micro enterprises in India are run by women. However, their participation in small, medium and large enterprises diminishes. Beyond the participation in productive activities such as agriculture, trade and industry, women have multiple roles in society. They are responsible for caring for the family including the preparation of food, health care and education.

Economic contribution

Women's economic activities contribute directly to growth and efficiency in dealing with informal business problems and poverty reduction. It is one of the main issues for policy makers.

1. Capital Formation

Entrepreneurs mobilise the idle savings of the public through the issue of industrial securities. Investment of public savings in industry results in productive utilisation of national resources. The rate of capital formation increases, which is essential for rapid economic growth.

2. Improvement in Per Capita Income

Women entrepreneurs in India have also been exploiting the opportunities. They convert the latent and idle resources like land, labour and capital into national income and wealth in the form of goods and services. They help increase the country's net national product and per capita income which are important yardsticks for measuring the economic growth.

3. Generation of Employment

Women entrepreneurs in India are playing an important role in generating employment both directly and indirectly. By setting up small scale industries, they offer jobs to people.



Social Contribution

Women entrepreneurs are also contributing towards improving the balanced regional development and improvement of living standards in the country.

1. Balanced Regional Development

Women entrepreneurs in India help to remove regional disparities in economic development. They set up industries in backward areas to avail of the resources, concessions and subsidies offered by government.

2. Improvement in living standards

With the setting up of small scale industries, reduction of scarcity of essential commodities and introducing new products can be achieved. Women entrepreneurs in this country are producing variety of goods on a large scale and offering them at low rates, as a result, achieving improvement in the standard of life.

3. Innovation

Innovation is the key to entrepreneurship. It implies the commercial application of an invention. As an innovator, the entrepreneur assumes the role of a pioneer and an industrial leader. Women entrepreneurs have contributed many innovations in developing new products and in the existing products and services. All these have resulted in economic development by way of generating employment, more income etc.

Other contributions

Women entrepreneurs are the main actresses in changing the culture of the society. In our country, women are workaholics and participate outside the house and develop the sense of independence and the like. Thus women entrepreneurs in our country are directly or indirectly playing an important role in environmental protection, backward and forward integration and are acting as change agents, thus contributing to the economic growth of the country

Challenges Faced by Women Entrepreneurs

Women have to face various problems in both the cases--while entering into any entrepreneurial activity and also while they are continuing with their business. No doubt



even men entrepreneurs also have to face challenges but being a woman, there are certain challenges which the women have to face exclusively.

Conflicts between Domestic and Entrepreneurial Commitments

A woman primarily has to look after the domestic work. Her family obligations are obstacles for her most of the times for conducting her entrepreneurial activities. Her responsibilities towards her children and the old members and family as whole, result in very little time left for her to engage herself in any business activity.

Gender gaps in education

In many families in India, girls/women are avoided to go to schools and colleges due to various reasons. The family members stop their education at different levels before graduation, thus the question of higher education doesnot come into picture. There is a lack of combination of education, vocational courses and other courses necessary for taking up any entrepreneurial activity.

Not Being Taken Seriously

Women who take up any business are not taken seriously. The people around her feel that it is her hobby or any side project to her family duties. Women's opinions and advice are not always viewed as expert compared to a man's opinion. This gender bias becomes a major hindrance for a woman entrepreneur.

Fear of Taking Risks

Women are considered as being more afraid of taking risks and moving forward. Women are more comfortable in their safe zone. They are afraid of moving out of their comfort zones. This fear may be fear of failure, fear of success, fear of being on their own.

Wanting to please everyone

Women, right from their childhood, are taught to be nice with everyone. They are taught to say 'Yes' always and please everyone and due to this women are taken for granted many a times. They feel difficult to say no to anyone who may be at the cost of their needs, business or otherwise.

Wanting to be Perfect in All Tasks

Women want to be always perfect in all the tasks may it be in their personal life or their professional life. They feel that they are the best ones who can perform any task in front



of them perfectly. This makes them poor in delegation of authority which may be an obstacle for their success in their business.

Patriarchal Society

Women do not get equal treatment in this male- dominated society even in these days when women work in space research centres. Ours is a patriarchal society which pampers the male ego and whims. In this scenario, a woman taking up entrepreneurial activity is a distant dream.

The other challenges faced by women are those which are common to both men and women entrepreneurs. Shortage of finance, marketing problem, shortage of raw material, stiff competition, high cost of production, limited managerial ability, lack of entrepreneurial training, etc, are the various challenges faced by women entrepreneurs.

Government Initiatives

In India, since independence, it has been noted that policy initiatives towards women have been more welfare oriented than development oriented. This was the case till around the 70s. It was only since the 1970s that a definite shift was observed in this approach.

The 70s saw more emphasis being given on the process of development for a change. Consequently, the 80s saw a multi-disciplinary approach with special focus on health, education and employment. Women's development was made a priority in all sectors, particularly in the Small-Scale industries. The government and non-governmental bodies started giving more attention to women's economic contribution through self-employment and business ventures.

The 21st Century Trends in Government Policies

The Micro, Small and Medium Enterprises development organizations, State Small Industries Development Corporations, Nationalized banks and NGOs have of late been conducting various Entrepreneurship Development Programmes to help women who do not have sufficient educational qualifications and skills for entrepreneurial ventures.

The Office of DC (Micro, Small and Medium Enterprises) has opened a Women's Cell to facilitate and support women entrepreneurs facing specific problems. With the aim of



inclusive development, decentralized state specific schemes are being provided to ensure training plus income generating opportunities for needy women who lack the means to a support system for their own enterprises and ventures. Small Industries Development Bank of India (SIDBI) has also been implementing special schemes for women entrepreneurs. MSMEs provide special incentives and concessions to women entrepreneurs.

In present time, Indian Government has started many schemes for women by different departments and ministries. Some of them are given below:

- IRDP- Integrated Rural Development Program
- KVIC-Khadi and Village Industries Commission
- TRYSEM- Training of Rural Youth for Self-Employment
- PMRY- Prime Minister Rojgar Yojana
- EDPs- Entrepreneurial Development program
- MDP- Management Development programs
- WDCs-Women's Development Corporations
- MAHIMA- Marketing of Non-Farm Products of Rural Women
- ARWIND- Assistance to Rural Women in Non-Farm Development schemes
- TREAD- Trade Related Entrepreneurship Assistance and Development
- Working Women's Forum
- IMY- Indira Mahila Yojana
- IMK- Indira Mahila Kendra
- MSY-Mahila Samridhi Yojana
- MVN-Mahila Vikas Nidhi
- MCS- Micro Credit Scheme
- RMK-Rashtriya Mahila Kosh
- SIDBI's Mahila Udyam Nidhi
- SBI's Stree Shakti Scheme
- NGO's Credit Schemes
- MSE-CDP- Micro & Small Enterprises Cluster Development Programs



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- NABARD'S SCHEME- National Banks for Agriculture and Rural Development Schemes
 - RGMVP-Rajiv Gandhi Mahila Vikas Pariyojana
 - NABARD- SEWA Bank project

Recommendations

A few recommendations regarding approach to the issue at hand emerge out of the above discussion. The recommendations are meant to be broad guidelines that can be kept in mind while framing future policies. These should help re-shape the entire narrative of prospects for women entrepreneurship in the country and accelerate the growth process with added scope for employment generation as well.

- The first step that can be the focus of the policy making process with regard to women entrepreneurship, is the effort to initiate a change in traditional mindsets. This can be achieved through peer awareness programmes, training and supportive services with emphasis on gender sensitization.
- The education system curriculum can be so designed to help groom future entrepreneurs with basic knowledge and practical skills in management.
- The Government can set some priorities for women in terms of allocation of industrial plots, sheds and other amenities. However precaution should be taken to penalize any kind of misuse. There should be adequate regulatory provisions for the same.
- There should be an added emphasis on enhancing the standards of education of women in general as well as making effective provisions for the training , practical experience and personal development programmes to improvise on their personality standards over all.
- Self Help Groups should be promoted for women entrepreneurs.
- There should be specific efforts to help women access finance. There should be bank and regulatory policies which accept less traditional forms of collateral look at borrower's willingness to repay and simplify business registry. There should be efforts to develop innovative loan and savings for female entrepreneurs.
- Last but not the least, there should be all India forums to discuss problems, grievances, issues of women entrepreneurs. Complaints against constraints or



shortcomings towards the economic progress of women entrepreneurs should be addressed by authorities and adequate measures should be taken to facilitate more entrepreneurship in the long run.

Conclusion

Women entrepreneurship is both about women's position in the society and about the role of entrepreneurship in the same society. There is direct relationship between the economic growth, poverty reduction and women entrepreneurship. It has been correctly stated by our first Prime Minister Pandit Jawahar Lal Nehru, that "when women move forward, the family moves, the village moves and the nation moves." The above discussion reveals that though women entrepreneurs are gaining recognition recently, still there is a long way they have to go. The transition from homemaker to women entrepreneur is not so easy and in the same way it is also difficult for a woman to succeed and sustain in her business. She has to learn from her experiences, adapt herself and overcome the challenges in her field. She has to creatively utilize her strengths to overcome the threats and grab all the opportunities to minimize her weaknesses. This will certainly be a mantra for her to develop and grow her business successfully.

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Women Entrepreneurship Development in India,

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