

## WOMEN ENTREPRENEURSHIP IN INDIA: AN OVERVIEW

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### **Abstract**

Entrepreneurship amongst women has been a recent development. Women constitute around half of the total world population. So is in India also. They are therefore, regarded as the better half of the society. In traditional societies they were confined to the four walls of houses performing house hold activities. Women in business are a recent phenomenon and an emerging economic force in India. Today, women are one particularly understudied group of entrepreneurs. We know very little about female entrepreneurs, our ignorance of this important demographic is a serious concern in any attempt to increase the total number of entrepreneurs participating in our economy. By and large they had confide themselves to petty business and tiny cottage industries. Women entrepreneurs engaged in business due to push and pull factors, which encourage women to have an independent occupation and stands on their own legs. The primary objective of this paper is to discuss about the status and problems along with the solutions of women entrepreneurs in India. It also includes significance of the women entrepreneurship and to analyze policies of Indian government for women.

**Key words:** Women entrepreneurship, Economy, Development, World, Business

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## INTRODUCTION

In ancient time, Women are generally known as home makers and still confined to the household affairs and family customs. At the same time, in the sociological setup, the Indian society is the male dominant one and the women were considered as weak and dependent. But the time is altering. They are receiving education and face the prospect of unemployment. The educated women do not want to limit their lives in the four walls of the house. A role of modern women is not confined to the traditional role as a mother and housewife; it has and is undergoing changes. As women get educated they begin to think of themselves as an independent person. They become aware of their own identity, potentials and decision making capabilities and demand equal respect from their partners. A sense towards independent decision-making on their life and career is the motivational factor behind this urge. It is important for women entrepreneurs to join hands with mainstream employers' organizations so that these obstacles, challenges and problems can be turned into legitimate policies. The entrepreneur is a person who has enterprising quality, takes initiative and establishes an economic activity or enterprise. Women's entrepreneurship is both about women's position in society and the role of entrepreneurship in the same society. Globally, women are enhancing, directing, and changing the face of how business is done today. It is estimated that presently women entrepreneurs comprise about 10% of the total entrepreneurs in India. It is also clear that this percentage is growing every year. However, Indian women have to go a long way to achieve equal rights and position because traditions are deep rooted in Indian society. Despite all the social hurdles, many women have become successful in their works. These successful women have made name & wealth for themselves with their hard work, diligence, competence and will power.

### 1. CONCEPT OF WOMEN ENTREPRENEURSHIP

Women entrepreneurs may be defined as a "woman or a group of women who initiate, organize and run a business enterprise, usually with considerable initiative and risk". Government of India has defined women entrepreneurs based on women participation in equity and employment of a business enterprise. Accordingly, a woman run an enterprise is defined as "an enterprise owned and controlled by a women having a minimum financial interest of 51% of the capital and giving at least 51% of the employment generated in the enterprise to women".

In Modern India, more and more women are taking up entrepreneurial activity especially in medium and small scale enterprises. Women have confined their activities to selected professions such as education, nursing, medicine and office work. Normally, women entrepreneurship is found in the extension of their kitchen activities, mainly in preparing commercially the 3'P's namely, Pickles, Papads and Powder. Very few women enter profession like industry, engineering trade, etc.

## 2. SIGNIFICANCE OF ENTREPRENEURSHIP FOR WOMEN

Entrepreneurship matters. Its benefits are many, from rewarding problem solving, organizational, and leadership abilities, to developing creativity and engendering empowerment. Not the least of its merits is the significant boost it gives to the economy. A self employed woman is achieving better status in the family as well as in the society and it enables her to take part in decision-making in their family affairs.

Women's entrepreneurship can make a particularly strong contribution to the economic well-being of the family and communities, poverty reduction and women's empowerment, thus contributing to the Millennium Development Goals (MDGs). Both men and women of working age constitute the main strength of economic development of a nation. Women entrepreneurship has been considered as an important source of economic growth and their economic independence. By this economic independence woman gets empowerment. Women entrepreneurs create new jobs for themselves and others and also provide society with different solutions to management, organisation and business problems. Thus, governments across the world as well as various developmental organizations are actively undertaking promotion of women entrepreneurs through various schemes, incentives and promotional measures. It is true that entrepreneurship is needed for robust economic growth. In other words, we can say that women are the economic force which has still not been tapped to its full potential. So, it is necessary for them to induct also into entrepreneurial culture, with focus on their specific needs.

## 3. CATEGORIES OF WOMEN ENTREPRENEURS:

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

### 4.1. Prosperous Entrepreneurs:

Affluent women entrepreneurs are those women entrepreneurs who hail from rich business families. They are the daughters, daughter-in laws, sisters, sister-in-laws 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

#### 4.2. 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 who generally take up small and medium industries where risk is low. Under this category, women usually start service centres schools, food catering centres, restaurants, grocery shops etc.

#### 4.3. 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.

#### 4.4. 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.

#### 4.5. Rural Entrepreneurs:

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

### 4. STATUS OF WOMEN ENTREPRENEURSHIP IN INDIA

In 21<sup>st</sup> century, due to growing industrialization and urbanization, the status of women has been changing. More and more number of women is moving forward for higher education, technical and professional education and their proportion in the workplace has also been increased.

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	38.9
Punjab	4791	1618	33.77
Maharashtra	4339	1394	32.12
Gujarat	3872	1538	39.72
Karnataka	3822	1026	26.84
Madhya Pradesh	2967	842	28.38
Other States & UTs	14576	4185	28.71
Total	57,452	18,848	32.82

## 5. FACTORS AFFECTING WOMEN ENTREPRENEUR IN INDIA

A number of problems are faced by the Women entrepreneurs' right from the beginning till the enterprise functions. Being a woman itself poses various problems to a woman entrepreneur. While Indian women enter into entrepreneurship they faces some peculiar problems like the tradition, socio cultural values, customs, ethics, physically weak, hard work areas, feeling of insecurity, cannot be tough etc

Women in rural areas have to suffer more. They face tough opposition from men and are considered as helpers. The attitude of society towards her and constraints in which she has to live and work are not very favourable. Besides the above basic problems the other problems faced by women entrepreneurs are as follows:

### 6.1. Family Responsibilities:

Women in India are emotionally bonded to their families. They are believed to attend to all the domestic work. It is mainly a duty of woman to look after the children and other members of the family. They are overstraining with family responsibilities like extra attention to husband, children and in laws which take away a lots of their time and energy. It will be very difficult to look after and concentrate on enterprise in such situations. Without the support and approval of husband and family, the women entrepreneurs cannot succeed.

### 5.2. Male dominated attitude of society:

Despite of constitutional equality between sexes, male prejudice is still the order of the day. Women are not treated equal to men. Mostly in our society woman has to take the approval of the head of the family, before entering the business. Entrepreneurship has traditionally been seen as a male preserve. All these are the barriers in the growth of women entrepreneurs.

### **5.3. Lack of education:**

The literacy rate of the women in India is low as compared to the men. Most of the women (approximately 60% of total women) are illiterate. Due to lack of proper education and awareness, women entrepreneurs stay behind about the development of new technology, new methods of production, marketing and other governmental support which will help them to grow.

### **5.4. Social barriers:**

The traditions and customs in Indian societies towards women are also a big obstacle and act as intervene to grow and prosper. Castes and religions dominate with one another and hinders women entrepreneurs too. In rural areas, they face more social barriers. They are always seen with suspicious eyes.

### **5.5. Shortage of raw materials:**

Women entrepreneurs find it difficult to procure raw materials and necessary inputs to run the enterprises. Due to high cost and insufficient availability of raw materials women entrepreneurs has to face various problems.

### **5.6. Financial problem:**

Women entrepreneur suffer a lot in raising and meeting the financial needs of the business. Bankers, creditors and financial institutes are not coming forward to provide financial assistance to women borrowers on the ground of their less credit worthiness and more chances of business failure. They also face financial problem due to blockage of funds in raw materials, work-in-progress finished goods and non-receipt of payment from customers in time.

### **5.7. Tough competition:**

Usually women entrepreneurs employ low technology in the process of production. In a market where the competition is too high, they have to fight hard to survive in the market against the organised sector and their male counterpart who have vast experience and capacity to adopt advanced technology in managing enterprises.

### **5.8. High cost of production:**

Several factors including inefficient management contribute to the high cost of production which creates a number of obstacles before women entrepreneurs. Women entrepreneurs face technology obsolescence due to non-adoption or slow adoption to changing technology which is a major factor of high cost of production.

#### **5.9. Low risk-bearing capability:**

Women in India cannot bear the risk as compared to men in any sphere of life especially economically, which is necessary to grow an enterprise. Lack of education, training and financial support from outsiders also reduce their ability to bear the risk involved in an enterprises.

#### **6.10. Limited mobility:**

A tradition bound society in India does not allow women to move out alone and also their mobility is highly limited and has become a problem. Moving alone and asking for a room to stay out in the night for business purposes are still looked upon with suspicious eyes. Mostly younger women do not feel comfortable in working with men who show extra interest in them.

#### **6.11. Limited entrepreneurial aptitude and managerial ability:**

Lack of entrepreneurial aptitude is a matter of concern for women entrepreneurs. They have no entrepreneurial bent of mind. Even after attending various training programmes on entrepreneurship women entrepreneurs fail to tide over the risks and troubles that may come up in an organisational working. Women entrepreneurs are also not efficient in managerial functions like planning, organising, controlling, coordinating, staffing, directing, motivating etc. of an enterprise. Therefore, less and limited managerial ability of women has become a problem for them to run the enterprise successfully.

#### **6.12. Lack of self confidence:**

Women entrepreneurs have low self-confidence because of their shy and inherent nature, which plays a crucial role to flourish an enterprise successfully. They have to strive hard to strike a balance between managing a family and managing an enterprise. Sometimes she has to sacrifice her entrepreneurial urge in order to strike a balance between the two.

### **6. STEPS REQUIRED TO SOLVE THE PROBLEMS OF WOMEN ENTREPRENEURS**

On the basis of the above mentioned problems faced by women entrepreneurs and various other problems too, there is a provision of a number of solution measures to overcome the aforesaid problems. Such solutions or remedies can be well understood as under:

- There should be a continuous attempt to inspire, encourage, motivate and co-operate women entrepreneurs.
- Provide specific mentorship to women as they have different challenges at different stages of life.
- Attempts should be made to enhance the standards of education of women in general as well making effective provisions for their training, practical experience and personality development programmes, to improvise their over-all personality standards.
- Attempts to establish for them proper training institutes for enhancing their level of work-knowledge, skills, risk-taking abilities, enhancing their capabilities.
- Attempts to bring about a society attitude change, generation of awareness and consciousness on the policy of self-development of women entrepreneurs.
- Attempts by various NGO's and government organizations to spread information about policies, plans and strategies on the development of women in the field of industry, trade and commerce.
- Establishing various policies to offer easy finance schemes for economically strengthening the position of women.
- Forming a cooperative association of women entrepreneurs to mobilize resources and pooling capital funds, in order to help the women in the field of industry, trade and commerce. Offering seed capital, up-liftment schemes, women entrepreneurs fund etc. to encourage them economically.
- To extend professional rates facilities and schemes for women entrepreneurs to prosper in the field of enterprise.
- To establish all India forums to discuss the problems, grievances, issues, and filing complaints against constraints or shortcomings towards the economic progress path of women entrepreneurs and giving suitable decisions in the favour of women entrepreneurs and taking strict stand against the policies or strategies that obstruct the path of economic development of such group of women entrepreneurs. Thus by adopting the following aforesaid measures in letter and spirit the problems associated with women can be solved.



## 7. SUPPORTIVE MEASURES FOR WOMEN'S ECONOMIC ACTIVITIES AND ENTREPRENEURSHIP BY THE GOVERNMENT

Development of women has been a policy objective of the government since independence. Until the 70s the concept of women's development was mainly welfare oriented. In 1970s, there was a shift from welfare approach to development approach that recognised the mutually reinforcing nature of the process of development. The 80s adopted a multi-disciplinary approach with an emphasis on three core areas of health, education and employment. Women were given priorities in all the sectors including SSI sector. Government and non government bodies have paid increasing attention to women's economic contribution through self employment and industrial ventures.

Five Year Plans	Recommendations
I <sup>st</sup> Five-Year Plan (1951-56)	Establishment of the Central Social Welfare Board, organization of Mahila Mandals and the Community Development Programmes were a few steps in this direction.
II <sup>nd</sup> Five-Year Plan (1956-61)	The empowerment of women was closely linked with the overall approach of intensive agricultural development programmes.
III <sup>rd</sup> Five-Year Plan (1961-66)	Supported female education as a major welfare measure.
IV <sup>th</sup> Five-Year Plans (1969-74)	Focused on female education as a major welfare measure.
V <sup>th</sup> Five-Year Plan (1974-79)	Emphasized training of women, who were in need of income and protection. This plan coincided with International Women's Decade and the submission of Report of the Committee on the Status of Women in India. In 1976, Women's welfare and Development Bureau was set up under the Ministry of Social Welfare.
VI <sup>th</sup> Five-Year Plan (1980-85)	Recognized a definite shift from welfare to development and women's lack of access to resources as a critical factor impeding their growth.
VII <sup>th</sup> Five-Year Plan (1985-90)	Emphasized the need for gender equality and empowerment. For the first time, emphasis was placed upon qualitative aspects such as inculcation of confidence, generation of awareness with regards to rights and training in skills for better employment.
VIII <sup>th</sup> Five-Year Plan (1992-97)	Focused on empowering women, especially at the Gross Roots Level, through Panchayati Raj Institutions.
IX <sup>th</sup> Five-Year Plan (1997-2002)	Adopted a strategy of Women's Component Plan, under which not less than 30 percent of funds/ benefits were earmarked for women related sectors.

X <sup>th</sup> Five-Year Plan (2002-07)	Aims at empowering women through translating the recently adopted National Policy for Empowerment of Women (2001) into action and ensuring Survival, Protection and Development of women and children through rights based approach.
XI <sup>th</sup> Five-Year Plan (2007-12)	Ensure that at least 33 percent of the direct and indirect beneficiaries of all government schemes are women and girl children.
XII <sup>th</sup> Five-Year Plan (2012-17)	Aims at focusing of major rural development programs on women and skilling the youth.

At present, over 27 schemes for women operated by different departments and ministries of the Government of India.

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

## 8. CONCLUSION

The forgoing description reveals that women entrepreneurs are a vital group for the country's economic growth. But unfortunately, the government 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; the entrepreneurial world is still a male dominated one. Proper attention and adequate support has not been provided to this group. Some more programs should be initiated for the development of women entrepreneur. In addition women should realize their potential and come out for new areas and responsibilities. Women are faced with specific obstacles (such as family responsibilities) that have to be overcome in order to give them access to the same opportunities as men. Also, in some countries, women may experience obstacles with respect to holding property and entering contracts. Increased participation of women in the labour force is a prerequisite for improving the position of women in society and self-employed women. An effective entrepreneur requires certain basic qualities like innovative thinking and farsightedness, quick and effective decision making skill, ability to mobilise and marshal resources, strong determination and self confidence, preparedness to take risks, accepting changes in right time and access and alertness to latest scientific and technological information.

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