

WOMEN ENTREPRENEURS IN INDIA - A PERSPECTIVE STUDY

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ABSTRACT

Women constitute almost half of the world's population their representation in gainful employment is comparatively low. Women entrepreneurship is a key contributor to economic growth in low and middle income countries like India. Women's level of optimism and self confidence in stating a business is highly influenced by the culture and social norms of their native countries. Women entrepreneurship and overall participation of women in the economy are closely related to each other. And this study aims to give an overall viewpoint of Indian women entrepreneurs and giving suggestions to improve their level.

KEY WORDS: Women entrepreneur, Types, Functions and Qualities, various schemes, impact of women entrepreneurs in Indian economy.

INTRODUCTION

Entrepreneurship is a key to economic development of a country. History is full of instances of individual entrepreneurs whose creativity had led to the industrialization of many nations. In the present globalised scenario, women entrepreneurs are playing important role in sustaining economic development and social progress of the country. Entrepreneurs have changed the corridors of trade, commerce, and markets, through new goods, services and provide ways to modernization and creativeness. It is believed that encouraging a dynamic pro-entrepreneurial background will capitalize on personal and communal economic and social achievement on a regional, national, and international scale. Women and Small Medium Enterprises (SMEs) play vital role in entrepreneurship development.

According to the Center for Women's Business research, the number of women-owned businesses grew at twice the rate of all firms between 1997 and 2002. The Small Business Administration finds that women-owned businesses account for 28 percent of all privately-owned businesses and they employ 9.2 million people. They contribute \$2.38 trillion in revenue to the U.S. economy.

The government of India notes women entrepreneurs as "an enterprise owned and controlled by women saving a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generated in the enterprise to women".

In the global economy of the 21st century, international

trade will be a key source of economic growth and development. Recent surveys conducted in several countries by the National Foundation of Women Business Owners (NFWBO) indicate that women-owned firms involved in the global marketplace have greater revenues. 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. If prevailing trends continue, it is not unlikely that in another five years, women will comprise 20% of the entrepreneurial force in India. The sector wise engagement of women entrepreneurs for example in Pakistan is as: 47% women are engaging in textile/ garment business, 34% are involved in education and health care, 33% in beauticians, 12% in manufacturing, 5% in food, and 12% in others (Goheer, 2002).

TYPES OF WOMEN ENTREPRENEURS

According to J.A. Schumpeter, "Woman 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, 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

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 centers 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 need least organizing skill and less risk. Dairy products, pickles, fruit juices, pappads and jaggery making are coming under this category of rural entrepreneur.

FUNCTIONS OF WOMEN ENTREPRENEURS:

Women entrepreneur performs all the functions an entrepreneur performs while establishing an enterprise.

However, Frederick Harbison has enumerated five entrepreneurial functions of women entrepreneur as follows:

1. Exploration of the prospects of starting a new business enterprise,
2. Undertaking of risks and handling of economic uncertainties involved in the business.
3. Introduction of innovations or imitation of innovations.
4. Co-ordination, administration and control.
5. Supervision and leadership.

QUALITIES NECESSARY FOR SUCCESSFUL WOMEN ENTREPRENEURS

Robert D. Hisrich identified adequate commitment, motivation and skills to start and build some of the important qualities of an entrepreneur.

Flexibility, good social behaviour, open mind and desire to take personal responsibilities will fit in the qualities of a true entrepreneur. Some of the important qualities or characteristics that are necessary for a successful women entrepreneur are discussed below

1. Desire to Excel:

The first and foremost quality an entrepreneur should possess refers to a burning desire to excel. The entrepreneur should always engage in competitions with self imposed standards with himself to beat his last best performance. According to Mc Clelland, this high achievement motive strengthened him to surmount the obstacles, suppress anxieties, repair misfortunes and devise expedients. The entrepreneur must have a strong desire to be a winner.

2. Hard Work:

Entrepreneurs who successfully build new enterprises possess an intense level of strong determination and willingness to work hard. They possess a capacity to work for long hours and in spurts of several days with less than normal amount of sleep. Through their hard work and intense desire to complete a task or solve a problem or overcome hurdles, they can be able to achieve the never ending goal of excellence.

3. Self Confidence:

Entrepreneurs must have confidence and belief in themselves to achieve their desired objectives. They strongly believe that they can beat anyone in the field. They do not

believe in status quo, rather they believe that the events in their life are self-determined and have little belief in fate.

4. Initiative:

An entrepreneur must have initiative seeking personal responsibility for actions and use the available resources for optimization of objectives. They take full credit for the success and assume full responsibility for the failure of the enterprise.

5. Moderate Risk-Taker:

An entrepreneur must be a moderate risk taker and learn from failures. The successful entrepreneurs are neither high risk takers, nor gamblers. They work in between the two extremes. They take moderate challenging risk to attain moderate returns which are influenced within their abilities and decisions.

6. Innovative:

An entrepreneur must be innovative and creative. Through his innovative ideas and creative thinking an entrepreneur can be able to engage himself in the analysis of various problems and situations in order to deal with them. An innovative entrepreneur introduces new products, develops new method of production, discovers new market and reorganises the enterprise.

7. Motivation:

An entrepreneur should have a strong motivation towards the achievement of a task and must be able to exert considerable efforts in getting things done by others. He should be a person who likes working with people and has skills in dealing with them. He has to motivate people to act, through his interpersonal skills.

8. Optimistic:

Entrepreneurs do not believe that the success or failure of a new business venture depends mostly upon luck or fate or external uncontrollable factors. They are highly optimistic about the success of the enterprises. They use positive knowledge to support their thinking. They are rarely negative. They always look at the brighter side of the situation. They are never disturbed by any internal or external threat to their business or intermittent problems in accomplishing their goals.

9. Analytical Ability:

Entrepreneur must be realistic in their approach. They should not be affected by the personal likes and dislikes. At the time of crisis, they must select experts rather than their friends and relatives to solve the problems. They must analyse the problem in detail before taking any decisions.

10. Mental Ability:

Mental ability refers to the inner strength of an entrepreneur which helps him to reach his goal. It is that ability which helps him to quickly respond to difficult situation. It consists of intelligence and creative thinking of an entrepreneur. Through this ability, entrepreneurs are able to adjust themselves with the changing business environment.

11. Communication Ability:

An entrepreneur must be well-versed with the art of communication. It is that skill through which both the sender and receiver understand each other and are being understood. Entrepreneur is required in many situations to influence customers, employees, suppliers, creditors, and government and make them think in his way and act accordingly. An entrepreneur who can effectively communicate and convince the above people will be more likely to succeed than the entrepreneur who does not.

12. Flexibility:

Entrepreneurs should be flexible in their decisions in the sense that they should not be very rigid in the decision making process. If the situation demands a change in the decision that will be beneficial to the enterprise, then after analyzing the pros and cons of the decision, the entrepreneur should revise or modify or change the decisions.

13. Independence:

Successful entrepreneurs do not like to be guided by others. They prefer to work in an environment free from interference. They like to be independent in the matters of decision making of their own business. They want to be their own masters and resist to be pigeonholed.

14. Leadership:

An entrepreneur must possess good leadership qualities to become a successful entrepreneur because leadership is the important aspect of entrepreneurship. The entrepreneur must have an ability to lead so that he can induce the people

to work with confidence and zeal. It is an aid to authority and helps in better utilization of manpower.

15. Good Human Relations Ability :

Entrepreneurs must have the abilities to maintain and establish good relations with customers, employees, suppliers, financiers and other people related with the business to run it effectively and efficiently. Emotional stability, tactfulness and warm human relations are some important qualities which bring success to an entrepreneur. An entrepreneur who maintains good human relations is much more likely to succeed in his business than the individual who does not practice such relations.

GROWTH OF WOMEN ENTREPRENEURSHIP IN INDIA:

Almost half of India's population consists of women. But they constitute a very negligible proportion of the total entrepreneurs. Entrepreneurial traits and competencies have not been well developed amongst the women entrepreneurs. They are very shy in nature and emotionally attached to the family. They are treated as weak and dependent on men. They are the neglected sections in the society. The much low literacy rate 39%, low work participation rate 28% and low urban population share 10% of women as compared to 63%, 52% and 18% respectively of their male counterpart well confirm their precarious position in the society.

In spite of the above, in sixties, women have started entrepreneurial activities as one- woman enterprises at home and from home for self-occupation and engagement. The number of women entrepreneurs was only 6000 which miserably low during the period.

Indian women started their entrepreneurial work in 1970s. Their entrepreneurship is traced out as an extension of kitchen activities mainly pickles, powder and pappad. Women are encouraged to start an occupation or venture with an urge to do something independently started to tide over their economic difficulties and responsibilities.

In the seventies, Government of India has also brought a change in its policy objective of welfare approach of women to development approach of women. Women were given priorities in all the sectors including small scale industries sector. As a result, the number of women entrepreneurs has increased over the years.

During 1980s, government and non-government bodies have paid increasing attention to women

entrepreneurs through formulation of various policies and programmes and introduction of new schemes and incentives. It adopted a multi-disciplinary approach for development of women entrepreneurs. Women entrepreneurs were given top priority for implementation of programmes under agricultural and its allied activities of diary farming, poultry, animal husbandary, handlooms, handicrafts and small scale industries, etc.

In the nineties, out of the total women population of 437.10 millions, there are 126.48 million women workforce of which only 1,85,900 women accounting for self employed in the country. This indicates a dismally low level of women participation in the entrepreneurial activities.

Further women entrepreneurs in India accounted for 9.01% of the total 1.70 million entrepreneurs during 1988-89. There were more than 2, 95,680 women entrepreneurs claiming 11.2% of the total 2.64 million entrepreneurs in India during 1995-96. The number of women entrepreneurs has increased to 3, 28,000 in 1996-97.

During the ninth five year plan, the government has introduced in 1998 an important scheme on Trade Related Entrepreneurship of Assistance and Development (TREAD) aiming at economic empowerment of women in rural, urban and semi-urban areas. It develops their entrepreneurial skill and eliminates the constraints faced by women entrepreneurs.

The TREAD programme was operated through Small Industries Development Bank of India (SIDBI). SIDBI has initiated various schemes for the growth of women entrepreneurs through Mahila Udyam Nidhi (MUN), Mahila Vikash for Nidhi (MVN), Micro Credit Scheme (MSC), Women Entrepreneurial Development Programme (EDP), and Marketing Development Fund (MDF) for women entrepreneurs.

In the context of the opening up of the economy and the need for upgradation of technology, the Consortium of Women Entrepreneurs of India (CWEI) is a common platform to help the very women entrepreneurs in finding innovative techniques of production and marketing and finance.

Prime-Minister Rozgar Yojna (PMRY), National Rural Employment Programme and (NREP), Rural Landless Employment Guarantee Programme (RLEGP) are some of the important schemes floated by the Government which encourage women to enter into work entrepreneurial activities.

GOVERNMENT SCHEMES FOR WOMEN EMPOWERMENT

The government programme for women development began as early as 1954 in India but the actual participation began only in 1974. At present, the Government of India has over 27 schemes for women operated by different departments and ministries. Some of these are:

- ◆ Integrated Rural Development Programme (IRD P)
- ◆ Training of Rural Youth for Self-Employment (TRYSEM)
- ◆ Prime Minister's Rojgar Yojana (PMRY)
- ◆ Women's Development Corporation Scheme (WDCS)
- ◆ Working Women's Forum
- ◆ Indira Mahila Yojana
- ◆ Indira Mahila Kendra
- ◆ Mahila Samiti Yojana
- ◆ Rashtriya Mahila Kosh
- ◆ Khadi and Village Industries Commission
- ◆ Indira Priyadarshini Yojana
- ◆ SIDBI's Mahila Udyam Nidhi Mahila Vikas Nidhi
- ◆ SBI's Sree Shakti Scheme
- ◆ NGO's Credit Schemes
- ◆ National Banks for Agriculture and Rural Development's Schemes

THE IMPACT OF WOMEN ENTREPRENEURS IN INDIAN ECONOMY

India's liberalization in the past 10 years has registered tremendous economical growth, with 8% CAGR in GDP, increase in per capita income of approximately 5%. Due to Industrialization, urbanization, education and democratic system in the country, the tradition bound Indian society is now undergoing a change and women now seeking gainful employment in several fields in increasing numbers. Entrepreneurship for women is not only considered as a powerful tool to facilitate their direct participation in income generating activities, but also as a tool to foster self reliance to tap their potentials and to enhance the sense of achievement and self esteem.

The economic liberalization touched primarily the elite, educated, and upper middle class women in the urban areas, as they received access to education and opportunities, as well as exposed to Westernized roles of women. Examples such as Kiran Mazumdar-Shaw of Biocon and Indra Nooyi of PepsiCo are all from well-to-do

families which provided access to higher education and empowered these women to fulfill personal goals. However, the feminist movement of the eighties has for the most part bypassed the women in the poor and rural communities, thus economic globalization has scant benefit for the majority female population

SUGGESTIONS:

At present both Central and State governments are giving incentives, concessions and subsidies to entrepreneurs to start their own enterprise, particularly in industrially-backward areas. These incentives and subsidies have positively attracted the entrepreneurs to start their units in rural areas. It also includes assistance of varied nature and also financial, organizational and managerial supports.

India needs entrepreneurs for two reasons: (1) to capitalize on new opportunities, and (2) to create wealth and new jobs. A recent McKinsey & Company - NASSCOM report estimates that India needs at least 8,000 new businesses to achieve its target of building an \$87 bn IT sector by 2008. Similarly, in the next 10 years, 110-130 million Indian citizens will be searching for jobs, including 80-100 million looking for their first jobs; which are seven times Australia's population.

The country can achieve its economic growth when the women entrepreneurs start rising on the horizon of villages. When women entrepreneurs are more in the rural areas, they can provide better employment opportunities to the public. As a result, per capita income of the country will increase; it will lead to overall economic growth.

Network Marketing also called Multi level Marketing is a new marketing technique which is definitely an ideal career choice for any woman who has desire and the right attitude takes to become an entrepreneur. If these types of marketing help the women to become entrepreneur without any risk and financial constraints, it should be encouraged to spread across the country especially in rural areas. Then there will be increase in women entrepreneurs in nearing future in India.

CONCLUSION

With growing awareness about business and due to growth of educational level, in professional education, industrialization, urbanization and democratic values awareness, the tradition bound Indian society has undergone a change and women entrepreneurs have shifted

their entrepreneurial activities to engineering, electronics and energy. They made personal choices, stood up for their convictions and had the courage and strength to enter into new ventures.

As a result of these efforts, number of women entrepreneurs has increased over the year. Though there have been limitations, obstacles and roadblocks faced by these women in the past, society have begun to accept that women entrepreneurs do contribute greatly to a country's economy.

Though there are several schemes introduced by the Government of India to encourage women entrepreneurs. But it shouldn't reach the rural women entrepreneurs still they are facing problems in getting the finance from the banks. Women entrepreneurs face a variety of problems during the promotion, expansion, financing and regular operations of the units. The problems or difficulties confronted by the entrepreneurs should be taken care of in course of time. In rural areas, large amount of potential remain untapped due to lack of supportive means and management.

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