WOMEN ENTREPRENEURSHIP IN INDIA- ROLE OF WOMEN IN SMALL AND MEDIUM ENTERPRISES

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ABSTRACT

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. In India, entrepreneurship among women is of recent origin. Socio–economic background is an important factor that influences the woman to start their business. 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.

The present paper focuses on the factors influencing women entrepreneurship and the constraints faced by them in small and Medium Enterprises in India.

KEYWORDS: Women entrepreneurship, Economic development, Global economy, Gender, Small and micro enterprises etc.
INTRODUCTION

In developing economies, the small, medium and cottage industries are able to create livelihood to the poor and needy of the society. The small savings of rural areas are contributing more in establishing the small and micro enterprises in India. In the light of demise of rural artisanship, entrepreneurship has been given much importance as well as empowerment too. The women empowerment has been important role of Governments and other non-governmental organizations. The women are endowed with innate power that can make them successful entrepreneurs. Women entrepreneurship is inherent and also a natural process. Entrepreneurship is considered as one of the most important factors contributing to the economic development of the society. Entrepreneurs have been considered instrumental in initiating and sustaining socio-economic development. There are evidences to believe that countries which have proportionately higher percentage of entrepreneurs in their population have developed much faster as compared to countries, which have lesser percentage of them in the society.

Women entrepreneurs may be defined as the women or a group of women who initiate, organize and operate a business enterprise. The Government of India has defined a woman entrepreneurship as "an enterprise owned and controlled by a woman 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 India, women constitute around 48 percent of the population but their participation in the economic activities is only 34 percent. As per the Human Development Report (2007), India ranks 96th on the gender related development index of 137 nations. The gender empowerment measures, which estimate the extent of women participation in the country's economic and political activities, rank India as 110th of the 166 nations. In the emerging complex social scenario, women have a pivotal role to play. Now women have taken up entrepreneurial role in order to create a meaning for themselves. The traditional roles of housewives are gradually changing into women entrepreneurs. Some of the factors responsible for these changes are better education, changing socio cultural values and need for supplementary income. When proper exposure, education and knowledge are imparted to them, Indian women will prove themselves to be highly potential productive force for the development of the nation.

REVIEW OF LITERATURE

Women in India reveal that empowerment of women and development of women entrepreneurs to bring actual reality through constitutional goal of equality. Lalitha Iyer’s study (1991) on “Women Entrepreneurs Challenges and Strategies” analyses major constraints faced by women entrepreneurs and reflects upon specific policies and programmes for women entrepreneurship development. Kamala Singh’s study (1992) on Women Entrepreneurs has made an attempt to diagnose the women entrepreneurs profile and has identified dominating entrepreneurial traits, their motivational forces and performance both quantitatively as well as qualitatively. This work aimed at understanding the entrepreneurial development among women is a unique attempt for highlighting their existing status and contribution in the national economy.

The study by Rani (1996) found that the availability of leisure time motivated women entrepreneurs from higher income classes. Contrary to the above, women entrepreneurs are
forced to take entrepreneurship in the absence of any other means of contributing to family income (D'Cruz, 2003). The study also found that, family support and encouragements are the highest facilitating factor which helped women to aspire entrepreneurship (Pillai and Anna, 1990). Traditional concept of the entrepreneurship cited the desire to self-employed, to generate income and to utilize skills according to Hookoomsing and Essoo (2003), (Richardson et al., 2004). Women's reasons for starting business are not always often driven by positive factors but also due to negative circumstances such as low family income, lack of employment opportunities, dissatisfaction with a current job or the need for flexible work(Robinson, 2001). These factors tend to be most predominant among women within developing economies (Dhaliwal, 1998). A previous study also observed that the primary concern of women NGO founders in India is pursuing the NGO's mission than the earnings (Handy, Kassam and Ranade, 2003).

OBJECTIVES AND RESEARCH METHODOLOGY OF THE 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 discuss the development of women entrepreneurs through small and medium enterprises
2. To highlight the factors influencing the women entrepreneurs
3. To study the major constraints faced by the women entrepreneurs.
4. To draw conclusions and offer suggestions

WOMEN ENTREPRENEURSHIP

Women entrepreneurs are key players in any developing country particularly in terms of their contribution to economic development. Women entrepreneurship has been recognized as an important source of economic growth. Women entrepreneurs create new jobs for themselves and others and also provide society with different solutions to management, organization and business problems. However, they still represent a minority of all entrepreneurs. Women entrepreneurs often face gender-based barriers to starting and growing their businesses, like discriminatory property, matrimonial and inheritance laws and/or cultural practices; lack of access to formal finance mechanisms limited mobility and access to information and networks, etc. 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). 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.

Over the past few decades the sex role of women has been breaking the barriers of four walls. Today the roles of women are not confined to the traditional on as a mother / housewife. The role of modern women is much more than, what it was previously. However even after the 63 years
of India’s independence the bias against women continues because of the cultural and traditional mores, which has affected lot on the female status and role. A woman has to play multiple roles. Besides playing the role of housewife/mother/daughter, she has to play different roles in community in the social settings simultaneously. Playing all the roles, women sometimes submerged her own self-role and her own real identity.

**DEVELOPMENT OF WOMEN THROUGH ENTREPRENEURSHIP IN SMALL AND COTTAGE INDUSTRIES**

Status of women freedom depends on economic conditions even more than political. If a woman is not economically free and self-earning, she will have to depend on her husband or someone else, and dependents are never free. These were the ideas of Pandit Jawaharlal Nehru, the first Prime Minister of India, who vividly highlighted the importance of economic independence of women. These views are antagonistic to the laws of Manu written early in the Christian era which stress the need to control women because of the “evils” of female character.

The 1991 Industrial Policy has envisaged special training programmes to support women entrepreneurs. Accordingly women entrepreneurs are receiving training through Entrepreneurship Development Programmes (EDPS) conducted by various institutions and organizations both at central and state levels. The Small Industries Development Organization (SIDO), with its field offices all over the country has been carrying out development programmes for women entrepreneurs and is providing technical schemes for setting up of SSI units. In view of the changing outlook for the promotion of women enterprises, the SSI Board in 1991 revised the definition of women enterprises by omitting the condition of employing 50 per cent of women workers. This provided a boost to women entrepreneurs to take up business and avail all facilities / concessions as are applicable to SSIs. “Women in business” is considered a recent phenomenon in India. The fact that almost half the population of this large country comprises of females while businesses owned and operated by them constitute less than five per cent is a reflection on social, cultural as well as economic distractions in the decades of development. Indeed, women’s participation in economic activity and production of goods and services is far greater than formal statistics might reveal, since much of it takes place in the informal sector as also in the households.
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 increased 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.
THE VARIOUS CONSTRAINTS FACED BY WOMEN ENTREPRENEURS ARE

SOCIAL ATTITUDE AND SUPPORT: The society plays a prominent role in entrepreneurial venture and success. Many researchers have been conducted to study the attitude and support to women entrepreneurs across the region. Some research concludes that, women received strong support from their social environment which she may have built either due to start up types requiring more social support or hesitation to enter the business formation forces.

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.

OPERATIONAL: Women entrepreneur in India not only struggle at the time of establishment of enterprises but at operation stage also, they have lots to overcome with different functional difficulties. Usually women faced two fold operational problems and she has to overcome with problems of production process like, scarcity of raw material, lack of technical skills, lack of utilities and infrastructure facility.

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.
ABSENCE OF ENTREPRENEURIAL APTITUDE: Many women take the training by attending the Entrepreneurship Development Programmes without entrepreneurial bent of mind. As per a study, involvement of women in small scale sector as owners stands at mere 7 percent. Women who are imparted training by various institutes must be verified on account of aptitude through the tests, interviews etc.

QUALITY OF EDPS: All women entrepreneurs are given the same training through EDPs. Second-generation women entrepreneurs don't need such training as they already have the previous exposure to business.

FAMILY CONFLICTS: Women also face the conflict of performing of home role as they are not available to spend enough time with their families. They spend long hours in business and as a result, they find it difficult to meet the demands of their family members and society as well. Their inability to attend to domestic work, time for education of children, personal hobbies, and entertainment adds to their conflicts.

CREDIT FACILITIES: Though women constitute about 50 per cent of population, the percentage of small scale enterprise where women own 51 percent of share capital is less than 5 percent. Women are often denied credit by bankers on the ground of lack of collateral security. Therefore, women's access to risk capital is limited. The complicated procedure of bank loans, the inordinate delay in obtaining the loans and running about involved do deter many women from venturing out. At the same time, a good deal of self-employment program has been promoted by the govt. and commercial banks.

SHORTAGE OF RAW-MATERIALS: Women entrepreneurs encounter the problems of shortage of raw-materials. The failure of many women co-operations in 1971 such as these engaged in basket making were mainly because of the inadequate availability of forest-based raw materials.

HEAVY COMPETITION: Many of the women enterprises have imperfect organizational set up. But they have to face severe competition from organized industries.

HIGH COST OF PRODUCTION: High cost of production undermines the efficiency and stands in the way of development and expansion of women's enterprises, government assistance in the form of grant and subsidies to some extent enables them to tide over the difficult situations. However, in the long run, it would be necessary to increase efficiency and expand productive capacity and thereby reduce cost to make their ultimate survival possible, other than these, women entrepreneurs so face the problems of labor, human resources, infrastructure, legal formalities, overload of work, lack of family support, mistrust etc.
POLICIES AND SCHEMES FOR WOMEN ENTREPRENEURS IN INDIA

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 recognized 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.

In India, the Micro, Small & Medium Enterprises development organisations, various State Small Industries Development Corporations, the Nationalised banks and even NGOs are conducting various programmes including Entrepreneurship Development Programmes (EDPs) to cater to the needs of potential women entrepreneurs, who may not have adequate educational background and skills. The Office of DC (MSME) has also opened a Women Cell to provide coordination and assistance to women entrepreneurs facing specific problems. There are also several other schemes of the government at central and state level, which provide assistance for setting up training-cum-income generating activities for needy women to make them economically independent. Small Industries Development Bank of India (SIDBI) has also been implementing special schemes for women entrepreneurs. In addition to the special schemes for women entrepreneurs, various government schemes for MSMEs also provide certain special incentives and concessions for women entrepreneurs. For instance, under Prime Minister’s Rozgar Yojana (PMRY), preference is given to women beneficiaries. The government has also made several relaxations for women to facilitate the participation of women beneficiaries in this scheme. Similarly, under the MSE Cluster Development Programme by Ministry of MSME, the contribution from the Ministry of MSME varies between 30-80% of the total project in case of hard intervention, but in the case of clusters owned and managed by women entrepreneurs, contribution of the M/o MSME could be up to 90% of the project cost. Similarly, under the Credit Guarantee Fund Scheme for Micro and Small Enterprises, the guarantee cover is generally available up to 75% of the loans extended; however the extent of guarantee cover is 80% for MSEs operated and/ or owned by women. Some of the special schemes for women entrepreneurs implemented by the government bodies and allied institutions are provided below.

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 (IRDP)
- Khadi And Village Industries Commission (KVIC)
- Training of Rural Youth for Self-Employment (TRYSEM)
- Prime Minister’s Rojgar Yojana (PMRY)
- Entrepreneurial Development programme (EDPs)
- Management Development programmes
- Women's Development Corporations (WDCs)
- Marketing of Non-Farm Products of Rural Women (MAHIMA)
- Assistance to Rural Women in Non-Farm Development (ARWIND) schemes
- Trade Related Entrepreneurship Assistance and Development (TREAD)
- Working Women’s Forum
- Indira Mahila Yojana
- Indira Mahila Kendra
- Mahila Samiti Yojana
- Mahila Vikas Nidhi
- Micro Credit Scheme
- Rashtriya Mahila Kosh
- SIDBI’s Mahila Udyam Nidhi
- Mahila Vikas Nidhi
- SBI’s Stree Shakti Scheme
- NGO’s Credit Schemes
- Micro & Small Enterprises Cluster Development Programmes (MSE-CDP).
- National Banks for Agriculture and Rural Development’s Schemes
- Rajiv Gandhi Mahila Vikas Pariyojana (RGMVP)
- Priyadarshini Project- A programme for “Rural Women Empowerment and Livelihood in Mid Gangetic Plains”
- NABARD- KfW-SEWA Bank project
- Exhibitions for women, under promotional package for Micro & Small enterprises approved by CCEA under marketing support
The efforts of government and its different agencies are ably supplemented by NGOs that are playing an equally important role in facilitating women empowerment. Despite concerted efforts of governments and NGOs there are certain gaps. Of course we have come a long way in empowering women yet the future journey is difficult and demanding.

WOMEN ENTREPRENEUR ASSOCIATIONS

The efforts of government and its different agencies are supplemented by NGOs and associations that are playing an equally important role in facilitating women empowerment. List of various women associations in India is provided below.

DETAILS OF WOMEN ENTREPRENEUR ASSOCIATIONS IN INDIA

- Federation of Indian Women Entrepreneurs (FIWE)
- Consortium of Women Entrepreneurs (CWEI)
- Association of Lady Entrepreneurs of Andhra Pradesh
- Association of Women Entrepreneurs of Karnataka (AWAKE)
- Self-Employed Women's Association (SEWA)
- Women Entrepreneurs Promotion Association (WEPA)
- The Marketing Organisation of Women Enterprises (MOOWES)
- Bihar Mahila Udyog Sangh
- Mahakaushal Association of Woman Entrepreneurs (MAWE)
- SAARC Chamber Women Entrepreneurship Council
- Women Entrepreneurs Association of Tamil Nadu (WEAT)
- Tie Stree Shakti (TSS)
- Women Empowerment Corporation

TIPS & SUGGESTIONS FOR WOMEN ENTREPRENEURS

TIPS FOR WOMEN ENTREPRENEURS

- Start a business that works for you and your personal life
- Research the product/service
Assess the market
Start business with adequate funds
Do networking.
Consult with professionals.

Here are some suggestive measures, to solve the problems confronted by them and for running their enterprise smoothly.

- Proper technical education to the women and opening of women development cells.
- Improvement of identification mechanism of new enterprise.
- Assistance in project formulation and follow up of training programmes.
- Credit facilities, financial incentive and subsidies.
- Adequate follow-up and support to the women enterprises.
- Women Enterprises research and application from time to time have to be documented.

CONCLUSION

It can be said that today we are in a better position wherein women participation in the field of entrepreneurship is increasing at a considerable rate. Women sector occupies nearly 45% of the Indian population. At this juncture, effective steps are needed to provide entrepreneurial awareness, orientation and skill development programs to women. The role of Women entrepreneur in economic development is also being recognized and steps are being taken to promote women entrepreneurship. From these suggestions it is quite visible that for development and promotion of women entrepreneurship, in the region, there is a need for multi dimensional approach from different sector, namely from the government side, financial institutions, individual women entrepreneurs and many more, for a flexible integrated and coordinated specific approach. The principal factor in developing entrepreneurship among women is not in terms of infrastructure or financial assistance or identifying an enterprise but it is a question of clearing the ground for their movement into entrepreneurship. For ages together they have been confined to a secondary role and confined to the homes and you have to bring out so that they become self-reliant, self-respecting enterprising people. Though there are several factors contributing to the emergence of women as entrepreneurs, the sustained and coordinated effort from all dimensions would pave the way for the women moving into entrepreneurial activity thus contributing to the social and economic development of the members of the family and thereby gaining equality and equal importance for themselves.
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