

Women Entrepreneurship in India: Obstacles and Opportunities

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ABSTRACT

Women Entrepreneurship plays a prime role in industrial development. India has always been a land of entrepreneurs and also occupied a strategic position in the Indian economy. Women are generally perceived as home makers with little to do with economy or commerce. The topic of women in entrepreneurship has been largely neglected both in society in general and in the social sciences. Not only have women lower participation rates in entrepreneurship than men but they also generally choose to start and manage firms in different industries than men tend to do. The transition from homemaker to sophisticated business woman is not that easy. But this picture is changing. In Modern India, more and more women are taking up entrepreneurial activity especially in micro, small and medium scale enterprises. Women across India are showing an interest to be economically independent. Gender equality and economic development go hand in hand. Though the entrepreneurial process is the same for men and women, there are however, in practice, many problems faced by women, which are of different dimensions and magnitudes, which prevent them from realizing their full potential as entrepreneurs. The purpose of this study is intended to find out various motivating and de-motivating internal and external factors of women entrepreneurship. It is an attempt to quantify some for non parametric factors to give the sense of ranking these factors. It will also suggest the way of eliminating and reducing hurdles of the women entrepreneurship development in Indian Context.

Keywords: MSME, Women entrepreneurship,

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Introduction

The word Entrepreneur is derived from the French word “entrepreneur” which means a person who undertakes the task of bringing together various resources and manages them to achieve desired results and take some share. Traditionally our society is male-dominated and women were not treated as equal partners and they were confined to four walls of the house. In modern societies women have stepped out the house to participate in all sorts of activities. Today with the growth of MSME, many women have plunged into entrepreneurship and are also running their enterprises successfully. With the relevant education, work experience, improved economic condition and financial opportunities more women are venturing into business. Women entrepreneurship in India represents a group of women who are exploring new avenues of economic participation. The entry of the women in organized business is a fairly recent phenomenon. Women Entrepreneurship plays a prime role in industrial development. India has always been a land of entrepreneurs and also occupied a strategic position in the Indian economy. Today the village and MSME units account for about 45% of the total industrial production, 30% of the country exports and estimated to employ

96 millions person in over 26 million units throughout the country. The Government of India has defined women entrepreneurs based on women participation in equity and employed of a business. While entrepreneurs are people who habitually create and develop new ventures of value around perceived opportunities (Maritz, 2004), women entrepreneurship adds a whole new dimension to entrepreneurship. The new dimension is motherhood, whereby these women business owners balance the role of mother and the role of entrepreneurship. Their motivation is the philanthropic desire to create a better environment for their family and overall community.

The Global Entrepreneurship Monitor (GEM), 2007 identifies that women signify more than one-third of all entrepreneurs, and are expected to participate predominantly in roles in informal sectors. Informal sectors include the emergence of women entrepreneur, whereby instead of returning to the formal workforce, women entrepreneurs create new businesses around their family environment and circumstances. Women entrepreneurs also actively participate in the gender, home based and lifestyle entrepreneurship domains. This form of new venture business creation however has its own set of unique challenges, including

fear of failure, less optimistic and confidence in business than men, and most importantly, securing start-up finance.

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. It is only from the Fifth Five Year Plan (1974-78) onwards that their role has been explicitly recognized with a marked shift in the approach from women welfare to women development and empowerment. The development of women entrepreneurship has become an important aspect of our plan priorities. Several policies and programmes are being implemented for the development of women entrepreneurship in India. There is a need for changing the mindset towards women so as to give equal rights as enshrined in the constitution. The progress towards gender equality is slow and is partly due to the failure to attach money to policy commitments. In the words of president APJ Abdul Kalam "empowering women is a prerequisite for creating a good nation, when women are empowered, society with stability is assured. The President under Notification dated 9th May 2007 has amended the Government of India (Allocation of Business) Rules, 1961. Pursuant to this amendment, Ministry of Agro and Rural Industries

(Krishi Evam Gramin Udyog Mantralaya) and Ministry of Small Scale Industries (Laghu Udyog Mantralaya) have been merged into a single Ministry, namely, **“MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SUKSHMA LAGHU AUR MADHYAM UDYAM MANTRALAYA)”** Worldwide, the micro small and medium enterprises (MSMEs) have been accepted as the engine of economic growth and for promoting equitable development.

The major advantage of the sector is its employment potential at low capital cost. The labour intensity of the MSME sector is much higher than that of the large enterprises. The MSMEs constitute over 90% of total enterprises in most of the economies and are credited with generating the highest rates of employment growth and account for a major share of industrial production and exports. In India too, the MSMEs play a vital role in the overall industrial economy of the country. In recent years the MSME sector has consistently registered higher growth rate compared to the overall industrial sector. With its agility and dynamism, the sector has shown admirable innovativeness and adaptability to survive the recent economic downturn and recession.

As per available statistics (4th Census of MSME Sector), this sector employs an estimated 59.7 million persons spread over 26.1 million enterprises. It is estimated that in terms of value, MSME sector accounts for about 45% of the manufacturing output and around 40% of the total export of the country.

OBJECTIVES OF THE STUDY

The main objectives of this study are:

- To identify the reasons for women for involving themselves in entrepreneurial activities.
- To identify the obstacles for women entrepreneurship.
- To identify the opportunities available for women entrepreneurs.

REVIEW OF LITERATURE

Darrene, Harpel and Mayer, (2008) performed a study on finding the relationship between elements of human capital and self employment among women. The study showed that self employed women differ on most human capital variable as compared to the salary and wage earning women. The study also revealed the fact that the education attainment level is faster for self employed

women than that for other working women. The percentage of occupancy of managerial job is found to be comparatively higher in case of self employed women as compared to other working women. This study also shed light on similarity and dissimilarity of situations for self employed men and self employed women. Self employed men and women differ little in education, experience and preparedness. However, the main difference lies in occupational and industry experience. The percentage of population holding management occupation is lower for self employed women as compared to self employed men. Also the participation levels of self employed women are found to be less than of self employed men in industries like communication, transportation, wholesale trade, manufacturing and construction. The analysis is based on data from the Current Population Survey (CPS) Annual Social and Economic Supplement (ASEC) from 1994 to 2006.

Das, 2000 performed a study on women entrepreneurs of SMEs in two states of India, viz, Tamilnadu and Kerala. The initial problems faced by women entrepreneurs are quite similar to those faced by women in western countries. However, 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. Again the statistics showed that the proportion of business setup and operated by women is much lower than the figures found in western countries.

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

Bowen & Hisrich, (1986), compared & evaluated various research studies done on entrepreneurship including women entrepreneurship. It summaries various studies in this way that female entrepreneurs are relatively well educated in general but perhaps not in management skills, high in internal locus of control, more masculine, or instrumental than other women in their values likely to have had entrepreneurial fathers, relatively likely to have frts born or only children, unlikely to start business in traditionally male dominated industries & experiencing a need of additional managerial training.

Greene et.al. (2003), evaluate 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.

Lall & Sahai, (2008), conduct 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. Through stratified random sampling & convenience sampling the data have been collected from women entrepreneurs working in urban area of Lucknow. The study identified business owner's characteristics as self perception 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.

Damwad, (2007), describes the experiences, initiatives & obstacles faced at five Nordic countries like Finland, Denmark, Iceland, Norway & Sweden towards women entrepreneurship. It broadly identifies 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 compares early stage entrepreneurial male & female activity among Nordic countries with the same of USA. It also compares various programme & schemes developed by Nordic countries & agencies that provide support to them. OECD & European Commission are focusing on

methodologies in analyzing quantitative & qualitative women entrepreneurship. The Nordic countries need a framework for policy learning develop a proper policy mix towards promoting women entrepreneurship.

On the basis of review of literature it is concluded that women who had taken subsidiary occupation improved their incomes which resulted in their economic and social empowerment.

RESEARCH METHODOLOGY

For any study there must be data for analysis purpose. It can be collected from various sources. In depth literature review and available secondary data from various sources has been used to develop this study. The secondary data is collected from review of past researches and other reports.

REASONS FOR WOMEN OPTING FOR ENTREPRENEURSHIP

Self determination, expectation for recognition, self esteem and career goal are the key drivers for taking up entrepreneurship by women (Moore & Buttner, 1997). Sometimes, women chose such career path for discovering their inner

potential, caliber in order to achieve self satisfaction. It can also provide a mean to make best use of their leisure hours. However, dismal economic conditions of the women arising out of unemployment in the family and divorce can compel women into entrepreneurial activities.

OBSTACLES FOR WOMEN ENTREPRENEURSHIP

The entrepreneurial process is the same for men and women, there are however, in practice, many problems faced by women, which are of different dimensions and magnitudes, which prevent them from realizing their full potential as entrepreneurs. A few obstacles can be detailed as;

1. Lack of confidence – In general, women lack confidence in their strength and competence. The family members and the society are reluctant to stand beside their entrepreneurial growth. To a certain extent, this situation is changing among Indian women and yet to face a tremendous change to increase the rate of growth in entrepreneurship.

2. Socio-cultural barriers – Women's family and personal obligations are sometimes a great barrier for succeeding in business career. Only few women are able to manage both home and business

efficiently, devoting enough time to perform all their responsibilities in priority.

3. Market-oriented risks – Stiff competition in the market and lack of mobility of women make the dependence of women entrepreneurs on middleman indispensable. Many business women find it difficult to capture the market and make their products popular. They are not fully aware of the changing market conditions and hence can effectively utilize the services of media and internet.

4. Motivational factors – Self motivation can be realized through a mind set for a successful business, attitude to take up risk and behaviour towards the business society by shouldering the social responsibilities. Other factors are family support, Government policies, financial assistance from public and private institutions and also the environment suitable for women to establish business units.

5. Knowledge in Business Administration – Women must be educated and trained constantly to acquire the skills and knowledge in all the functional areas of business management. This can facilitate women to excel in decision making process and develop a good business network.

6. Awareness about the financial assistance

– Various institutions in the financial sector extend their maximum support in the form of incentives, loans, schemes etc. Even then every woman entrepreneur may not be aware of all the assistance provided by the institutions. So the sincere efforts taken towards women entrepreneurs may not reach the entrepreneurs in rural and backward areas.

7. Exposed to the training programs -

Training programs and workshops for every type of entrepreneur is available through the social and welfare associations, based on duration, skill and the purpose of the training program. Such programs are really useful to new, rural and young entrepreneurs who want to set up a small and medium scale unit on their own.

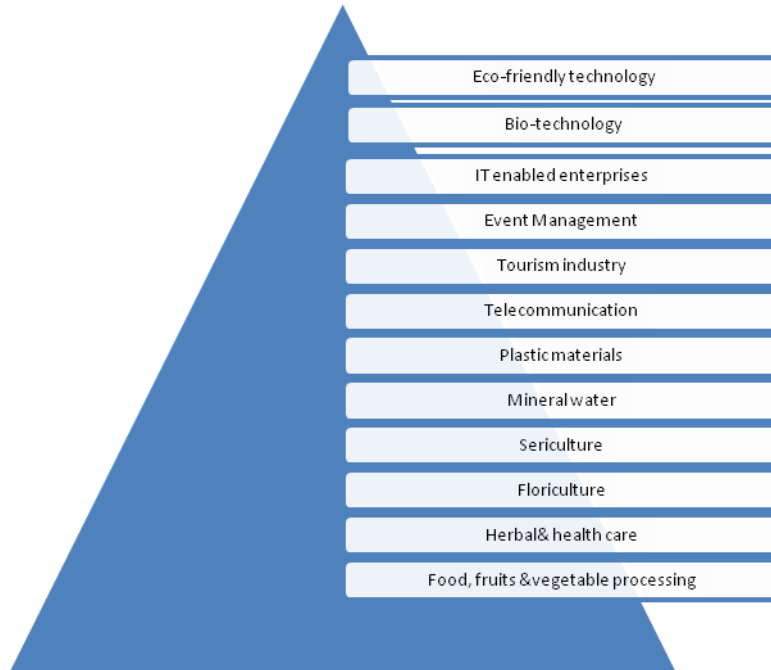
8. Identifying the available resources –

Women are hesitant to find out the access to cater their needs in the financial and marketing areas. In spite of the mushrooming growth of associations,

institutions, and the schemes from the government side, women are not enterprising and dynamic to optimize the resources in the form of reserves, assets mankind or business volunteers.

OPPORTUNITIES FOR WOMEN ENTREPRENEURSHIP

Highly educated, technically sound and professionally qualified women should be encouraged for managing their own business, rather than dependent on wage employment outlets. The unexplored talents of young women can be identified, trained and used for various types of industries to increase the productivity in the industrial sector. A desirable environment is necessary for every woman to inculcate entrepreneurial values and involve greatly in business dealings. The additional business opportunities that are recently approaching for women entrepreneurs are:



- 1.) Eco-friendly technology: This topic is of interest across governments, academia and the private sector; various studies define the term differently. Women play an essential role in the management of natural resources, including soil, water, forests and energy and often have a profound traditional and contemporary knowledge of the natural world around them. It is the responsibility of governments to make the green economy sustainable through a range of policies which would assure a fuller role for women.
- 2.) Bio-technology: As the 21st Century gears up towards becoming more technologically advanced. The role of education and training in biotechnology for women is becoming more pronounced than ever. Women are certainly able, and willing, to do high-

quality research that leads to important commercial outcomes. Biotechnology companies have shown great desire to hire female scientists and provide them with the requisite resources to do high-caliber research; companies must make sure that women participate fully in one of the final aspects of the R&D process, acquiring a patent. In doing so, firms will quite likely reap many more benefits from their research activities.

- 3.) IT enabled enterprises: Business development services are an important component of entrepreneurship development for women. The Women's Institutes plays a unique role in providing women with educational opportunities and the chance to build new skills, to take part in a wide variety of activities and to campaign on issues

- that matter to them and their communities.
- 4.) Event Management: Event management is the application of project management to the creation and development of festivals, events and conferences. Women are creative, intuitive and driven this management should be embraced whether the women is young, old, married, single or a mother.
 - 5.) Tourism Industry: It is well known fact that tourism has become a major force in the economy of the world. The role of women entrepreneurs in tourism sector will play a major role in promoting the tourism business. Women entrepreneur is one of the most important inputs in the tourism development of a country or of the regions within the country which promotes the tourism business.
 - 6.) Telecommunication: Supporting women entrepreneurs is essential to stimulate growth. Telecommunication is relevant for women entrepreneurs in a modern world to enter into contracts. Generally contracts that women entrepreneurs enter into using Information and Communication Technologies (ICT) are easy to enforce without any hurdles.
 - 7.) Plastic Materials: The increasing quantities of plastics waste and their effective and safe disposal has become a matter of public concern. Recycling of a material would produce a fresh supply of the same material—for example, used office paper would be converted into new office paper, or used foamed polystyrene into new polystyrene and it will also create a good business for women entrepreneurs.
 - 8.) Mineral Water: People are becoming health conscious. We are going to enter an era when potable bottled water would find place in almost all general stores and it will become an unavoidable expenditure for people at large. Many small scale entrepreneurs and mainly women entrepreneurs can find business opportunities in this fast growing market.
 - 9.) Sericulture: It is an occupation by women and for women because women form more than 60% of the workforce and 80% of silk is consumed by them.
 - 10.) Floriculture: Floriculture is a booming sector for women entrepreneurs in rural India. Commercial floriculture is becoming important from the export angle. The liberalization of industrial and trade policies paved the way for development of export oriented production of cut flowers and this

business have great opportunities for women.

11.) Herbal & health care: Healthcare is an industry where women are reasonably well represented in established companies. It can also be an industry where women entrepreneurs thrive.

12.) Food, fruits & vegetable processing: India has emerged as one of the top most food producing country in the world. Fruits and vegetables are grown in plenty in India. Fruits and vegetables processing offers potential for high value addition and potential entrepreneurs can earn a lot from such products mainly women entrepreneurs.

Empowering women entrepreneurs is essential for achieving the goals of sustainable development and the bottlenecks hindering their growth must be eradicated to entitle full participation in the business. Apart from training programs, Newsletters, mentoring, trade fairs and exhibitions also can be a source for entrepreneurial development. As a result, the desired outcomes of the business are quickly achieved and more of remunerative business opportunities are found. Henceforth, promoting entrepreneurship among women is certainly a short-cut to rapid economic growth and development. Let us try to

eliminate all forms of gender discrimination and thus allow 'women' to be an entrepreneur at par with men.

GOVERNMENT SUPPORT: WOMEN ENTREPRENEURS AND MSME's

The industrial policies of the Government announced from time to time, have laid considerable emphasis on promotion of women entrepreneurship, particularly among first generation women entrepreneurs, through various training and support services. Special attention is being given by organising exclusive Entrepreneurship Development Programmes (EDPs) for women.

After the liberalisation of the economy, government's attitude towards the MSME sector changed and many of the products exclusively manufactured by these units earlier got dereserved. No more the MSME sector continued to be treated as infant industry.

The MSME Development Act 2006, came into being with effect from 2nd October, 2006, subsequent to which, both the Central and State Governments took effective measures towards implementation of the Act. In order to increase the competitive edge of the

MSMEs, the Government of India announced the National Manufacturing Competitiveness Programme (NMCP) during the budget speech 2005-06. One of the objectives of NMCP is to ensure healthy growth of the MSME sector. Under the National Manufacturing Competitiveness Programme (NMCP), five components have been made operational, which include quality management systems and quality technology tools, building awareness on intellectual property rights, support for entrepreneurial and managerial development through incubators, setting up of new mini tool rooms and marketing assistance/ support to MSMEs. Entrepreneurship development is usually associated with development of MSMEs and has great importance in developing countries, as they accounted, on average, for more than 95% of all firms, thus the biggest source of employment, providing livelihood for over 90% of the country's workforce, especially women and the young. The degree of women entrepreneurship development is closely related to the degree of gender equity, which in developing countries is generally lower than that in developed countries.

Women entrepreneurs create new jobs for themselves and others and by being different, provide different solutions to

management, organisation and business problems as well as to the exploitation of entrepreneurial opportunities. However, they still represent a minority of all entrepreneurs. Thus there exists a market failure discriminating against women's possibility to become entrepreneurs and their possibility to become successful entrepreneurs. This market failure needs to be addressed by policy makers so that the economic potential of this group can be fully utilized. As low rates of women's entrepreneurship are both related to the status of women and the status of entrepreneurship, we have suggested that increasing the abilities of women to participate in the labour force and generally to improve the position of women in society and generally increase the possibility to engage in entrepreneurship is central. However, promotion of women entrepreneurs is a prerequisite for overall economic growth and more targeted initiatives are also needed to support women entrepreneurs.

CONCLUSION

“Women have full freedom to work and prosper. From the moment they go out of their homes they are human beings:

business woman has the same weight as a business man.”

The study tried to find out the difference among various set of people of the crucial factors which are concerned with the women entrepreneurial opportunities at large. Issues have been identified through various review of literature. The main issue of women entrepreneurship development in India discussed in this study is the main constraints facing women to become entrepreneurs or

existing women entrepreneurs to sustain or grow. Actually, there are significant differences between women entrepreneurs and the men entrepreneurs on ground of perseverance, predisposition and ability to work hard, as well as the abilities specific to emotional intelligence. Therefore, general measures can be adopted to encourage and develop women entrepreneurship in India because women entrepreneurship is necessary for the growth of any economy weather it large or small.

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