



Women Entrepreneurship in India: Important for Economic Growth

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Abstract

In present scenario women entrepreneurship is very important for economic growth of our country. It does not only contribute to improve women situation in the society but also helps to improve economic situation of country. In man oriented society, women wants to prove him and created equality and democratic approach. For this purpose, women tries to contribute in all areas like medical, education, business etc. but like an entrepreneur, she faced lot of problems and challenges like lack of wealth, socio -cultural barriers etc. while she belongs to rural area or urban area. So this paper covers problems faced by women entrepreneurs, factor influencing women entrepreneurs and tells some successful Indian women entrepreneur and also discusses various programs taken by government for women entrepreneurship development.

Keywords: Women entrepreneur, Problems, Successful Indian women entrepreneur, Influencing factors and government programs.

1. Introduction

The origin of the basic word “entrepreneurship” is from a French word “Entree” „To enter” and “Prendre” “to take” and in general sense applies to any person trying a new opportunity or starting a new project. The oxford dictionary 1897 defines the term “Entrepreneur” in similar manner as the manager or the director of public musical institution, one who gets up entertainment arranged, especially the musical performance. In the early sixteenth century applied to those who were engaged in the military expeditions. In seventeenth century it was extended to cover the civil engineering activities like fortification and construction. So the term entrepreneur is used in the different ways. The definition given by GOI about women entrepreneurship, “An enterprise owned and controlled by a Women and having a minimum financial interest of 51% of the capital & giving at least 51 % of the employment generated in the enterprise to Women”.

“You can tell the condition of a nation by looking at the status of its women”.

-Jawaharlal Nehru

The emergence of the women entrepreneurs and their contribution to national economy is visible in India. The number of women entrepreneurs has grown up in a period of time, especially in the 1990s. The women entrepreneurs need to be lauded for their increased use of modern technology, finding a niche in the export market, creating a sizable employment for others, increased

investments and setting the trend for other women entrepreneurs in the organized sector. Indian women business owners are changing the face of the present businesses, both figuratively and literally. The expansion of women-owned businesses and dynamic growth is one of the defining trends of past decade and all indications are that it will continue unabated. For more than a decade, the number of women-owned businesses has grown at 1/2 to two times the rate of all businesses. Even much important, the expansion in the employment and the revenues has exceeded growth in numbers.

2. Review of Literature

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

Cphoon, Wadhwa & Mitchell (2010), present a detailed exploration of women & men entrepreneur's motivations, experiences and background. The study based on the data collected from various successful women entrepreneurs. Out of them 59% had founded more than one company. The study identifies top five psychological & financial factors motivating women to become entrepreneurs. These are desire to build up the wealth, the appeal of startup culture, the wish to capitalize own business ideas they had, a long standing desire to own their own company and also working with someone else did not appeal them. The challenges are more related with the entrepreneurship rather than gender. However, the study concluded with some requirement of further investigation like why women are so much concerned in relating to protecting intellectual capital than their counterpart. The mentoring is also an important factor to women that provides experiences & well developed professional network, encouragement & financial support of business partners. Women network report on Women in the business & in Decision Making focus on the women entrepreneurs related to their problems in starting & running the business, education, family back ground and size of business unit. Some interesting facts which came out from the report are less educated women entrepreneurs are engaged in some micro enterprises, have husband & children but have helpless at home. Mostly, the women establish enterprises before the age of 35, after gaining the experience as an employee somewhere else. The motivational factors were desire for freedom & control to take their decision and also to earn a handsome amount of money. The dedication of much time like more than 48 hours in a week with the family support to their enterprises gave them much confidence. However, to maintain balance between work & family life is a great challenge before women entrepreneurs especially for those who have working husband & children.

Darrene, Harpel and Mayer, (2008) performed an analysis on finding the relationship between self-employment and elements of human capital among women. The study showed that the self-employed women differ on the big human capital variable as compared to salary and the wage earning women. The study also revealed that the education attainment level is better for self employed women than that for others employed women. The percentage of occupancy of the managerial job is found to be comparatively bigger in case of self employed women as compared to other employed women. This study also analyzes on the similarity and dissimilarity of situations for self-employed women and self-employed men. Self-employed women and men differ little in the experience, education and preparedness. However, the main difference lies in the industry and occupational

experience. The percentage of population having management occupation is lesser for self employed women as compared to self employed men. Also the participation levels of self employed women are found to be lesser than of self-employed men in industries like transportation, communication, wholesale trade, construction and manufacturing. The analysis is based on the data from the Current Population Survey (CPS) Annual Social and Economic Supplement (ASEC) from 1994 to 2006.

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.

Tambunan, (2009), made a study on recent developments of women entrepreneurs in Asian developing countries. The study focused mainly on women entrepreneurs in small and medium enterprises based on data analysis and review of recent key literature. This study found that in Asian developing countries SMEs are gaining overwhelming importance; more than 95% of all firms in all sectors on average per country. The study also depicted the fact that representation of women entrepreneurs in this region is relatively low due to factors like low level of education, lack of capital and cultural or religious constraints. However, the study revealed that most of the women entrepreneurs in SMEs are from the category of forced entrepreneurs seeking for better family incomes.

3. Objectives

- To study about the problems faced by women entrepreneurs.
- To know about the percentage of women entrepreneurs in states of India.
- To know about the some successful women entrepreneurs in India.
- To know about the government schemes and other plans who relates to women entrepreneurship.

4. Methodology

This is a conceptual paper and the study focuses on extensive study of secondary data collected from various books, national and international journals and publications from various websites which focused on various aspects of women entrepreneurship.

4.1 Problems faced by women entrepreneurs:

- 1- To be women and to do something on their own becomes quite difficult for them because of lack of access to funds as women do not process any tangibles security.
- 2- Self-motivation attitude to take up risk and behavior towards the business society, family support financial assistance from public and private institutions and also environmental suitable for women to establish business unit.
- 3- The family structure is generally male dominated; hence the male members think it a big risk financing the ventures run by women. Greatest deterrent to women entrepreneurs is that they are women.

- 4- The financial institutions are doubtful about the abilities of women entrepreneur. They thought women loonies as higher risk comparison to men loonies. That's why; bankers put unreasonable securities to get loan to women entrepreneurs.
- 5- Family obligations also the biggest barrier for women entrepreneurs from becoming successful entrepreneurs. They have lots of work like children care, daily home duties, old family member's work etc. Some women entrepreneurs can handle both of duties.
- 6- In present scenario, there is male female competition in every field and this is also a hurdle for women entrepreneur. Women want to prove ourselves and they have ability also but lack of support and organizational skill compared to male, women faces many problems.
- 7- In India, Illiteracy is the root cause of socio-economic barriers or hurdle. Due to lack of qualitative education, women are not aware of business, technology and market knowledge. So, as women entrepreneur, this factor creates problem for them.
- 8- Mobility factor also create a biggest role in unsuccessful women entrepreneurs. In India, a single woman facing many problems. No one wants to give them room and any support. Single women looked like suspicion in India.

Percent share of women entrepreneurs in different states of India

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	38.91
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 and UTS	14,576	4185	28.71

ECONOMIC SURVEY 2008-09

Women corporate in industrial sector 2008-2009

S.No.	Industry	Percent of women corporate
1	Transportation and warehousing	15.1%
2	Agriculture forestry fishing and hunting	14.6%
3	Whole sale trade	14.0%
4	Mining and oil and gas extraction	13.5%
5	Manufacturing	13.3%

6	Management of companies	12.4%
7	Real estate and rental and leasing	11.8%
8	Administrative support and waste management remediation service	10.0%

ECONOMIC SURVEY 2008-09

4.2 Some successful women entrepreneurs in India

- 1- AkhilaSrinivasan, Managing Director, Shriram Investment Ltd.
- 2- ChandaKochhar, Executive Director, ICICI Bank.
- 3- Ektakapoor, Creative Director, Balaji Telefilms Ltd.
- 4- JyotiNaik, President, Lijjat Papad.
- 5- KiranMazumdar Shaw, Chairman and Managing director, Biocon Ltd.
- 6- Lalita D. Gupta, JMD, ICICI Bank.
- 7- Naina lalkidwar, Deputy CEO, HBSE.
- 8- Preetha Reddy, Apollo Hospital, Managing Director.
- 9- Priya Paul, Apeejay park hotel, Chairman.
- 10- Rajshree Pathy, Rajshree Sugar and Chemical ltd, Chairman.
- 11- Ranjana Kumar, NABARD, Chairman.

4.3 Government schemes and other plans related to women entrepreneurship

In India, women position not so good. That's why development of women is the major objective of government. Before 70s, government approach was only welfare oriented but after 1970s, this approach changed into development approach. In 80s, this approach again changed into multidisciplinary approach with an emphasis on three major areas of health, education and employment. Government as well as non-government bodies focused on women's economic contribution by self employment and industrial ventures.

In present scenario, many EDP- Entrepreneurship development programs are running by Micro Small and Medium Enterprises, Government, NGO's etc to increase the potential in women for entrepreneurship. The office of MSME has also ruined Women Cell for solving the problems, which are facing by them. There are also several programs and scheme provided by Government as well as non-government for needy women to make them economically independent. SIDBI (Small Industries Development Bank of India) has also contributed in these programs. They have been implementing special schemes for women entrepreneurs. Government schemes for MSMEs provide special incentives and concessions for women entrepreneurs to helping them for promoting their business. Other than this, Prime Minister Rozgar Yojana is very beneficiary for women. The government has also given some relaxation for women to facilitate their participation in this scheme. Another scheme like MSE Cluster Development Program by Ministry of MSME varies 30-80% of the total project but in the case of cluster which is owned and managed by women, then this contribution could be up to 90%. Another scheme like Credit Guarantee Fund Scheme for MSEs, guarantee is generally available 75% of the loan extended, but in the case of women entrepreneurs, this guarantee could be up to 80%. Some of the special schemes for women entrepreneurs has also ruined by the Government as well as other local bodies.

In present time, Indian Government has operated over 27 schemes for women by different departments and ministries. These are given below:

- IRDP- Integrated Rural Development Program

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

4.4 WOMEN ENTREPRENEUR ASSOCIATIONS

Government and other agencies are playing equally important role in facilitating women empowerment. In India, there is various women association running. List of these various associations are given below:

4.5 DETAILS OF WOMEN ENTREPRENEUR ASSOCIATIONS IN INDIA

- FIWE- Federation of Indian Women Entrepreneurs
- CWEI- Consortium of Women Entrepreneurs
- ALEA- Association of Lady Entrepreneurs of Andhra Pradesh
- AWEK Association of Women Entrepreneurs of Karnataka
- SEWA- Self-Employed Women's Association
- WEPA- Women Entrepreneurs Promotion Association
- MOOWE- The Marketing Organization of Women Enterprises
- BMUS- Bihar Mahila Udyog Sangh
- MAWE-Mahakaushal Association of Woman Entrepreneurs

- SAARC Chamber Women Entrepreneurship Council
- WEAT- Women Entrepreneurs Association of Tamil Nadu
- TSS- Tie Stree Shakti
- WEC- Women Empowerment Corporation

4.6 Step taken by government of India in five year plans:

We cannot imagine the world without women. So like that women entrepreneurial development also needed support because entrepreneurial development is not possible without participation of women. Therefore, a healthy and supportive environment is required to be enabling women to participate in entrepreneurial activities. So, Government, non-government agencies, local bodies and other regulatory agencies has responsibility to play the supportive role for promoting women entrepreneurs. Indian government has also provided various programs like training and development cum employment for the women to start their enterprise nicely. Some brief explanation of these programs is given below:

- 1- **Seventh Five-Year Plan:** Government has introduced a special chapter on “Integration of women in development” in seventh five year plan. Some suggestions are also given in this chapter. Following as:
 - Specific target group: Women treated as specific target group in all development programs.
 - Arranging training facilities: Some vocational training facilities provided to women according to their needs.
 - Developing new equipments: Government should to focus on increasing their efficiency by technologies and equipment etc.
 - Marketing assistance: They should be provided the marketing assistance to women entrepreneur for their helps in promotion and suggestions for the product produced by them.
 - Decision-making process: It was also suggested that they have to give an opportunity to women entrepreneur in decision making process.
- 2- **Eight Five-Year Plans:** Indian government has introduced some special program for rural women to increase employment. Government also wanted to increase income generating activities for women in rural areas. During eight five year plan, government launched some plans, which is given below:
 - To develop entrepreneurial ability in rural women, government was launched PMRY and EDP programs.
 - Agriculture’s scheme has also introduced for women farmers. By this scheme training, women having small and marginal captures in agriculture as well as allied activity.
 - To create more employment opportunities for remote area’s women, government introduced KVIC scheme in the form of special measures in remote area.
 - Government has introduced some women co-operative schemes and also fully financial support to help those women, who are worked in agro-based industries like dairy farming, animal husbandries, horticulture and poultry etc.
 - Government has also launched some other scheme like IRDP (Integrated Rural Development Programs), TRYSEM (Training of Rural Youth for Self Employment), which is useful for women and rural area’s persons.
- 3- **Ninth Five-Year Plan:** Everyone knows that without women development, economic development is not possible because economic development means long term, all rounds and

everyone's development. So, in Ninth Five Year plan Indian government has launched several schemes for women entrepreneurs just because without them small scale and medium scale enterprise not successes.

- TREAD (Trade Related Entrepreneurship Assistance and Development) - Ministry of small industry was introduced this scheme for women entrepreneurs to develop entrepreneurial quality in them, basically rural, semi-urban and urban area's women.
 - Marketing assistance- Government has adopted a special strategy to provide assistance to women entrepreneurs.
 - SJGSY (Swarna Jyanti Gram Swarozgar Yojana) and SJSRY (Swarna Jayanti Sehkari Rozgar Yojana) - These schemes are provided reservation for women entrepreneurs. By these schemes government wanted to encourage them to start their enterprise.
 - WDC (Women Development Corporations) - For the purpose of arranging credit and marketing facilities, government has introduced new scheme named Women Development Corporation for women entrepreneurs.
 - SIDBI has also contributed in this objective. For women entrepreneurs, they launched some schemes like: 1- Mahila Udyam Nidhi, 2- Micro Credit Scheme for women, 3- Mahila Vikas Nidhi, 4- Women Entrepreneurial Development Programs, and 5- Marketing Development Fund for Women.
- 4- Consortium of Women entrepreneurs of India provides a platform to assist the women entrepreneurs to develop new, creative and innovative techniques of production, finance and marketing. There are different bodies such as NGOs, voluntary organizations, Self-help groups, institutions and individual enterprises from rural and urban areas which collectively help the women entrepreneurs in their activities.
- 5- **Training programs:** Government is introduced following schemes for the women to be self employment:
- STEP-Support for Training and Employment Program of Women
 - DWCRA-Development of Women and Children in Rural Areas
 - SISI- Small Industry Service Institutes
 - SFC- State Financial Corporations
 - NSIC- National Small Industries Corporations
 - DIC- District Industrial Centre
- 6- **MVN (Mahila Vikas Nidhi):** This scheme has introduced by SIDBI especially for rural area's women. In this scheme, women can take loan for their enterprise like spinning, block printing, weaving, embroidery products, knitting, bamboo products, handlooms, handicraft etc.
- 7- **RMK (Rashtriya Mahila Kosh):** This fund launched in 1993 for poor women, who wants to start venture but they have not enough capital. In this scheme, they can take grant at reasonable rates of interest with very low transaction costs and simple procedure.

5. Conclusion

Present situation is much better comparison older situation. In present India, women play many roles very effectively. They can manage home and business equally. They contribute in economic development of India. Nearly, 45% women sector occupies of the whole population of India. So, we have to provide development programs for organizational and skill development of women entrepreneurs. From some suggestions for development of

women entrepreneurship, there is a need for multi dimensional approach in different sectors like government, non-government, financial institutions etc. and some awareness programs or managerial program also introduced for villagers specially women. This step will contribute major role because we want all round development and whole development. If we are not focusing on backward, poor and villager's women, our objective cannot be fully covered and successful. In this way, women entrepreneurial activity is contributing to the social and economic development. There by women gaining equal important in Indian society.

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