



Women Entrepreneurship

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Women entrepreneur can be defined as a woman or a group of women who initiate, organize and run a business enterprise. The number of women entrepreneurs is increasing all over the world but the entrepreneurial ventures in developing countries are quite low compared to the developed countries. Women entrepreneurship is growing at a faster pace in countries like U.S., U.K. and Canada. It is being contemplated that if women continue to grow in this way, very soon their percentage will rise to 50 percent. Unfortunately it is not the case in countries like Ethiopia, Zambia and India where women entrepreneurs are growing at a very slow pace. But, not all developed countries are experiencing high growth in women entrepreneurship and not all developing countries are experiencing slow growth of women entrepreneurship. Finland, a developed country is experiencing slow growth rate of women entrepreneurship and Bangladesh, a developing country is experiencing high growth rate of women entrepreneurship. This disparity in growth of women entrepreneurs in various countries is due to the diversity in their perception and socio-economic conditions prevailing in the state. In my paper, I attempted to look from global perspective women entrepreneurs in global scene and the problems faced by them while managing their own businesses and the kind of influence it has on their growth in the competitive world of business environment.

Today, women developed economies own more than 25% of all business and women-owned business in Africa, Asia, Eastern Europe and Latin America are growing rapidly. However not all developed countries have shown high growth rate. The Scandinavian countries (Sweden, Finland and Denmark) and Japan have had very little women entrepreneurship. Women entrepreneurship in developing countries as compared to developed countries has been quite low (Global Entrepreneurship Monitor Report, 2004; Bezhani, 2001; Ferdinand, 2001; Gerard et. al, 2004)

In Peru, Uganda, Nepal and Korea there have been a high level of women entrepreneurship (OECD-report, 2004). It shows that the disparity in women entrepreneurship across countries is due to the diversity in their perceptions and socio-economic conditions prevailing in the state and in order to have a better understanding of how perception and socio-economic conditions may affect women entrepreneurship one has to look into the various dimensions of women entrepreneurship. The gender disparity in the business world in general, and entrepreneurship especially, has recently garnered renewed attention in light of the recent Global Entrepreneurship Week and Women's Enterprise Day.

Though the ICAEW, as an accountants' union, undoubtedly contains a large female membership proportion and showcases professional women in accounting, author Claire Louis Noyce's attitude towards gender stereotypes perpetuates the perception of women being suited only for "pink collar" clerical work rather than leadership roles. Noyce writes: "Women are usually good at nurturing businesses, at nurturing in general. Speaking from personal experience, nurturing tends to be what most of us women are doing when not at our desks, and doing constantly. Cultural and social attitudes to women in business therefore – if they remain an obstacle to enterprise realising its full potential – should and need to be somewhat "revived"

Education empowers women and gives them the opportunity to earn their own livelihood. Earlier many women with higher education and academic degree did not consider entrepreneurship as a career opportunity because education gave them access to more interesting and better-paid occupations (Global Entrepreneurship Monitor Report, 2004). They preferred employment to entrepreneurship. Nowadays with changing times educated women especially in developed countries are giving preference to entrepreneurship.

If their family background is examined, women entrepreneurs seem to be coming from mixed background. Previously, women were not welcome in family businesses at all, except as office workers. But gradually things are changing and now we can find daughters and wives rise to leadership positions in family firms and daughters taking over businesses in traditionally male-dominated fields. Godfrey (1992) in his study has suggested that family is a fertile training ground for subsequent business ownership and this is being witnessed in developed countries where there has been a marked growth in the second generation female entrepreneurs.

As far as the experience is concerned, men often have experience in manufacturing, finance or technical areas and women in contrast usually have administrative experience, which is limited to the middle-management level, often in more service-related areas as education, secretarial work, or retail sales. Especially in developing countries women often enter business without prior experience. On the other hand in developed countries most of the women entrepreneurs enter business with past experience. Compared to men women employ



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Entrepreneurship as an economic activity is largely dominated by men all over the world (Minniti et. al., 2004). In recent years due to the change in economic and social environment there has been an influx of women entrepreneurs (Adler, 2004). Although there are no official statistics relating business to the gender of their owners, there is a good deal of evidence to suggest a significant increase in female entrepreneurship (Centre for Enterprise and Economic Development Research, 2000). The scarce availability of reliable and valid data continues to be one of the key obstacles in understanding women entrepreneurship. Also the data collection methods among countries tend to differ thus making straightforward comparisons between countries more difficult (OECD-report, 2004). The entrepreneurial participation rate for men is higher than those of women.

In any country women are not more active than men. In addition a strong positive correlation exists between Entrepreneurship rate of men and the entrepreneurship rate of women. It means that those countries with a higher men's entrepreneurial rate are also likely to have higher percentage of women entrepreneurs. Across the world, women-owned firms typically comprise between one-quarter and one-third of the business population (Trieloff, 1998). Women entrepreneurship is growing faster in developed countries than in developing countries. They are growing very fast in developed countries like the U.S, U.K and Canada where 30 percent of all small companies are women-owned and it is being contemplated that if women continue to grow at the same pace then very soon their percentage will rise to 50 percent (Peacock, 1998; Kelly, 1996; Jung, 1997; 'Women wanted', 1996; Cachan and Carter, 1989; OECD, 1993; Brush and Hisrich, 1991).

less start-up capital. Majority of them provide all the required start-up capital themselves therefore most of them rely on personal and family savings or borrowings from friends and relatives. Very few women take bank loans.

Women entrepreneur have been characterized by small company size. Women entrepreneurs have little interest in expanding their business. However in countries like US, UK and Canada, women entrepreneurs are expanding their business and they are creating and providing new jobs to others at a high rate. Women in general are predominantly into conventional entrepreneurship. They tend to create businesses in service sectors where they are already economically active as managers, owners or employees. However there are the radical women entrepreneurs who are the elite women in the cities are highly educated and have acquired technical skills. They are moving rapidly into fields that have been traditionally male dominated such as production, construction, computers (IT), bio-technology and stock exchange. Women in these non-conventional fields are doing well and in some cases doing better than their male counterparts.

Gender plays an important role in the choices made by entrepreneurs. In most countries men are widely believed to be more competent than women, except when performing Feminine tasks. Substantial evidence indicates that entrepreneurship is stereotypical as a masculine therefore woman's task is oftendefined on the basis of her gender. She starts and manages firms in areas different from men.

As women have to play multiple roles, women entrepreneurs all over the world find it difficult to balance work with family. Their career is considered secondary to that of their husbands (Brannon, 1999). They are also left with less time to devote to business. Their duties are given priority as a wife, mother, daughter-in-law and daughter of the family and duties as owners of small business come last in order of priority. Trying to cope up with the home front and work units is demanding. Hence, balancing work and family is very important for women entrepreneurs all over the world and the role of family policy has been identified as very crucial in this regard. It is noticed that with greater availability of child care facility women will tend to increase their time for participation in entrepreneurship.

The developed countries in comparison to the developing countries have been more forthcoming in formulating family policies. But the child care facility in the developed countries has had a negative response. It has been found that the Scandinavian countries like Finland, Denmark and Sweden, which have low women entrepreneurship provide universally the child care and maternity benefits to their women, whereas countries like US, Australia and the UK which have high level of women entrepreneurship, neither provide government aid nor have adopted policies that guarantee access to child care. Thus instead of being a facilitating factor family policy in those countries have become an obstruction in the growth of entrepreneurship. High levels of child care provisions often accompany high levels of women's employment but low levels of women's entrepreneurship.

The psychological factors often pose many obstacles for women even when credit, capital and skills are made available to them. According to Minniti et al (2004) majority of women in developed nations do not believe they have the skills and knowledge necessary to start a new business. The lowest belief in one's own skill is found in women of Japan. The reverse is true in case of developing countries where almost half of them believe that they possess such skills. The highest belief in one's own skill has been found in women of Uganda.

Many times women entrepreneurs are not fully conversant with the various laws, formalities and regulations prevailing in their state (Vinze, 1987). Many of them are unfamiliar with market techniques, or do not have the experience and ability needed to expand their businesses. Better education is expected to yield better results in entrepreneurial performance as good academic background makes women confident in dealing with the problems in business in an effective manner. Most of the developing countries have weak infrastructure which hampers the growth of business. Women especially in African countries have problem in accessing appropriate and affordable premises. Most of the women entrepreneurs operate their business enterprises on the street (ILO report, 2000).

All over the world credit is one of the biggest problems, which women entrepreneurs face. They complain about the rigid formalities and procedures for availing credit (Ramanunny, 2003). In developing nations in particular women have limited access to material resources such as land and capital. Banks and other financial institutions are hesitant while providing finance to women entrepreneurs as they do not have property rights and security. Banks ask for guarantee from their fathers and husbands which they rarely get. Banks also demand collateral for getting loans and as women have fewer rights to parent's and spouse's property they are unable to offer collateral which further restricts their access to bank credit. Ireland and U.S. are exceptions to this. In Ireland majority of women entrepreneurs rely heavily on external finance. In both the countries women do not face the problem in availing credit from external sources.

Today, women in developed economies own more than 25% of all businesses and women-owned businesses in Africa, Asia, Eastern Europe and Latin America are growing rapidly. Highly educated women in developed countries are giving preference to entrepreneurship. The only way to promote entrepreneurship among businesswomen is to promote equal participation of women in business regardless of any gender differences. Rather than encouraging women to act like stereotypical women, business leaders and mentors should attempt to transcend such biases and encourage individual ambition regardless of gender. In addition, women should be especially encouraged to become entrepreneurs so that the attributes associated with such as ambition, creativity, and independence, become non-gender specific. Such encouragement should be deployed globally, particularly in the many countries with worse gender inequity than the UK.

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