



## PROSPECTS AND CHALLENGES OF WOMEN ENTREPRENEURS IN INDIA

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### KEYWORDS :

#### INTRODUCTION

The concept of entrepreneurship was first established in the 1700s, and the meaning has evolved ever since. Many simply equate it with starting one's own business. Most economists believe it is more than that. To some economists, the entrepreneur is one who is willing to bear the risk of a new venture if there is a significant chance for profit. Others emphasize the entrepreneur's role as an innovator who markets his innovation. Still other economists say that entrepreneurs develop new goods or processes that the market demands and are not currently being supplied.

In the 20th century, economist Joseph Schumpeter (1883-1950) focused on how the entrepreneur's drive for innovation and improvement creates upheaval and change. Schumpeter viewed entrepreneurship as a force of "creative destruction." The entrepreneur carries out "new combinations," thereby helping render old industries obsolete. Established ways of doing business are destroyed by the creation of new and better ways to do them.

Business expert Peter Drucker (1909-2005) took this idea further, describing the entrepreneur as someone who actually searches for change, responds to it, and exploits change as an opportunity. A quick look at changes in communications—from typewriters to personal computers to the Internet—illustrates these ideas. Most economists today agree that entrepreneurship is a necessary ingredient for stimulating economic growth and employment opportunities in all societies. In the developing world, successful small businesses are the primary engines of job creation, income growth, and poverty reduction. Therefore, government support for entrepreneurship is a crucial strategy for economic development.

#### WOMEN ENTREPRENEURS

Women entrepreneurs may be defined as a "Woman or a group of women who initiate, organize and run a business enterprise." Government of India has defined women entrepreneurs based on women participation in equity and employment of a business enterprise. "A woman entrepreneur can be defined as a confident, innovative and creative woman capable of achieving self economic independence individually or in collaboration, generates employment opportunities for others through initiating, establishing and running the enterprise by keeping pace with her personal, family and social life."

Today, women entrepreneurs account for up to a third of all businesses operating in the formal economy worldwide. However, the majority of those in developing and transitioning economies are very small and micro enterprises, with little potential for growth. Apart from being under-represented in enterprises of all sizes, the bigger the firm the less likely it is to be headed by a woman. Societal attitudes and norms inhibit some women from even considering starting a business, while systemic barriers mean that many women entrepreneurs stay confined to very small businesses often operating in the informal economy. This not only limits their ability to earn an income for themselves and their families but impedes them from realizing their full potential to contribute to socio-economic development, job creation and environmental stewardship.

Studies have shown that successful women entrepreneurs start their businesses as a second or third profession. Because of their previous careers, women entrepreneurs enter the business world later on in life, around 40–60 years old. As women are now overtaking their male

peers when it comes to education, having higher education degrees is one of significant characteristics that many successful female entrepreneurs have in common. The number of self-employed women has steadily increased over the past 3 decades putting them at an approximate 33 percent increase. Many women owned businesses continue to be home based operations. These types of businesses usually have limited revenue with about 80 percent of them making less than \$50,000 in 2002. This group made up for about 6 percent of total women-owned businesses. Children of these female entrepreneurs are expected to boost that number as they contribute to the growing amount of female entrepreneurs. Most women owned businesses are in wholesale, retail trade and manufacturing. Female entrepreneurs have also made a name for themselves in professional, scientific and technical services, also in health care and social assistance. In 1972 women owned businesses accounted for 4.6 percent of all U. S. businesses that was about 1.5 million self employed women. That number increased to 2.1 million in 1979 and 3.5 million in 1984. In 1997 there were about 5.4 million women owned businesses and in 2007 that number increased to 7.8 million. The participation of females in entrepreneurial activities does of course vary in different amounts around the world. For example in Pakistan, women entrepreneurs account for only 1% of this gender's population, while in Zambia 40% of women are engaged in this activity. The highest amounts of females involved in entrepreneurial activities can be seen in Sub-Saharan Africa, with 27% of the female population are. Latin America/Caribbean economies show comparatively high percentages as well (15%). The lower numbers are seen in the MENA/Mid-Asia region with entrepreneurial activities registering at 4%. Developed Europe and Asia, and Israel also show low rates of 5%.

#### PROBLEMS OF WOMEN ENTREPRENEURS

There are umpteen problems faced by women at various stages beginning from their initial commencement of enterprise, in running their enterprise. Their various problems are as follows:

**1. Patriarchal Society:** Entrepreneurship has been traditionally seen a male preserve and idea of women taking up entrepreneurial activities considered as a distant dream. Any deviation from the norm is frowned and if possible, immediately curbed. Women also have to face role conflict as soon as they initiate any entrepreneurial activity. It is an uphill task for women to face such conflicts and cope with the twin role.

**2. 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.

**3. 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.

**4. Marketing Problems:** Women entrepreneurs continuously face the problems in marketing their products. It is one of the core problems as this area is mainly dominated by males and even women with adequate experience fail to make a dent. For marketing the products women entrepreneurs have to be at the mercy of middlemen who pocket the chunk of profit. Although the middlemen exploit the women entrepreneurs, the elimination of middlemen is difficult, be-

cause it involves a lot of running about. Women entrepreneurs also find it difficult to capture the market and make their products popular.

**5. Financial Problems:** Obtaining the support of bankers, managing the working capital, lack of credit resources are the problems which still remain in the males domain. Women are yet to make significant mark in quantitative terms. Marketing and financial problems are such obstacles where even training doesn't significantly help the women. Some problems are structural in nature and beyond the control of entrepreneurs.

**6. 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.

**7. 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 programme has been promoted by the govt. and commercial banks.

**8. 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.

**9. Heavy Competition:** Many of the women enterprises have imperfect organizational set up. But they have to face severe competition from organized industries.

**10. 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 labour, human resources, infrastructure, legal formalities, overload of work, lack of family support, mistrust etc.



**STEPS TAKEN BY THE GOVERNMENT**

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 recognised 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.

The First Five-Year Plan (1951-56) envisaged a number of welfare measures for women. Establishment of the Central Social Welfare Board, organization of MahilaMandals and the Community Development Programmes were a few steps in this direction.

In the second Five-Year Plan (1956-61), the empowerment of women was closely linked with the overall approach of intensive agricultural development programmes.

The Third and Fourth Five-Year Plans (1961-66 and 1969-74) supported female education as a major welfare measure.

The Fifth Five-Year Plan (1974-79) emphasized training of women, who were in need of income and protection. This plan coincided with International Women's Decade and the submission of Report of the Committee on the Status of Women in India. In1976, Women's welfare and Development Bureau was set up under the Ministry of Social Welfare.

The Sixth Five-Year Plan (1980-85) saw a definite shift from welfare to development. It recognized women's lack of access to resources as a critical factor impeding their growth.

The Seventh Five-Year Plan (1985-90) emphasized the need for gender equality and empowerment. For the first time, emphasis was placed upon qualitative aspects such as inculcation of confidence, generation of awareness with regards to rights and training in skills for better employment.

The Eight Five-Year Plan (1992-97) focused on empowering women, especially at the Gross Roots Level, through Panchayati Raj Institutions.

The Ninth Five-Year Plan (1997-2002) adopted a strategy of Women's Component Plan, under which not less than 30 percent of funds/ benefits were earmarked for women related sectors.

The Tenth Five-Year Plan (2002-07) aimed at empowering women through translating the recently adopted National Policy for Empowerment of Women (2001) into action and ensured Survival, Protection and Development of women and children through rights based approach.

At present the twelfth five year plan (2012-2017) ensures Socio-Economic Development through Innovative and Appropriate Technologies (SEDIAT). So far Conducted 6 Women Entrepreneurship (Gender) Development Programmes

(WEDP) at different college/ Universities

The programmes planed under the plan are

- Programme for North-Eastern regions (skill development / training, EDP,
- Technology demonstration Centre, etc.)
- Women Entrepreneurship Development Programme
- Propagation of Technologies under CSIR 800 Scheme

**SUCCESSFUL BUSINESS WOMEN IN INDIA**

**1. INDIRA NOOYI**

This brilliant corporate women started her career in Boston Consulting group. She joined Pepsi Company in 1994, she turned the company into a bold risk taker. In 1998 Pepsi acquired Tropicana.In 1997 Pepsi started its own fast food chain. She became the president of Pepsicola in 2001. Wall street journal included her name in the top fifty Women to watch in2005.Simultaneously Fortune Magazine also declared her 11th most powerful Women inbusiness.

**2.DR KIRAN MAZUMDAR SHAW**

She is the chairman & managing Director Biocon Ltd. who became India's richest women in 2004.She founded Biocon India with a capital

of Ten thousand in her garage in 1978. The initial operation was to extract an Enzyme from Papaya. Her applications for loans were turned down by banks on three counts. Biotechnology then was a new word the company lacked assets, and women Entrepreneurs were still a rarity. Today her Company is the biggest Biopharmaceutical firm in the country.

### 3. NAINA LAL KIDWAI

She was the first Indian Women to graduate from Harvard business school. Fortune magazine listed Kidwai among the world's top fifty corporate women from 2002-2003. According to the Economic times she is the first woman to head the operations of Foreign Banks in India. Also she was awarded the Padmashree.

### 4. VAIDYA MANOHAR CHHABRIA

Chairman of Jumbo Group. The wife of a late Manohar Rajaram Chhabria is now leading Jumbo Group, a Dubai based Dollar 1.5 billion business conglomerate. She was ranked 38th most powerful women by the Fortune Magazine in 2003.

### 5. NEELAM DHAWAN

Managing Director Microsoft India. She is well known figure in IT industry of India. Before joining Microsoft, she worked in almost all the top IT Companies.

### 6. SHAHNAZ HUSAIN

She is another successful Women entrepreneur of India. She popularized herbal treatments for beauty and health problems. Her company Shahnaz Husain Herbals was the largest of its kind in the world and had a strong presence in over hundred countries, from the US to Asia

### 7. LALITA GUPTA & KALPANE MORPARIA

Joint Managing Directors of ICICI Bank, have made immense contribution to the banking sector in India.

### 8. EKTA KAPPOR

Who is popularly known as the soap queen, Creative Director of Bajaj Telefilms is credited for bringing about a revolution in the Indian small screen industry. She is a rare combination of beauty and brain and a great inspiration for budding entrepreneurs.

## 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. Efforts are being taken at the economy as brought promise of equality of opportunity in all spheres to the Indian women and laws guaranteed equal rights of participation in political process and equal opportunities and rights in education and employment were enacted. But unfortunately, the government sponsored development activities have benefited only a small section of women i.e. the urban middle class women. 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. Resurgence of entrepreneurship is the need of the hour emphasizing on educating women strata of population, spreading awareness and consciousness amongst women to outshine in the enterprise field, making them realize their strengths, and important position in the society and the great contribution they can make for their industry as well as the entire economy. Women entrepreneurship must be moulded properly with entrepreneurial traits and skills to meet the changes in trends, challenges global markets and also be competent enough to sustain and strive for excellence in the entrepreneurial arena. If every citizen works with such an attitude towards respecting the important position occupied by women in society and understanding their vital role in the modern business field too, then very soon we can pre-estimate our chances of out beating our own conservative and rigid thought process which is the biggest barrier in our country's development process.

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