



Women Entrepreneurship In India

KEYWORDS

Entrepreneurial Culture, Entrepreneurship, Women Entrepreneurs, Poverty Reduction Women Empowerment, Self Help Groups

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ABSTRACT

Ancient history proclaims that India's culture was an entrepreneurial culture. India's trade made a significant contribution to the world economy. During the colonial period the Indian economy witnessed the large scale exploitation of domestic resources. It became a captive supplier of raw materials and a market to sell foreign goods. Following independence India adopted a socialist mode of self reliance. The task of national reconstruction fell into the hands of the private sector. Government was not limited to social development and redistribution of income it extended to manufacturing and the fulfillment of thousands of basic services to citizens. Government of India has the duty to ensure a minimum decent standard of living for every citizen hence entrepreneurship has been encouraged as a means of livelihood among the poor. Creating awareness on entrepreneurship, making financial arrangements, maintenance and development of the enterprises and regulation are some of the roles of the Government of India. Women entrepreneurship at micro, small and medium level has made a particularly strong contribution to the economic well-being of women, their family and community. Poverty reduction and empowerment are achievable through women entrepreneurship. Social workers have significant roles in promoting entrepreneurial culture and entrepreneurship among women.

INTRODUCTION

To eradicate extreme poverty and hunger is one of the eight Millennium Development Goals to be achieved by the year 2015. The target is to halve the proportion of people living on less than \$1 a day on a set fifteen-year timeline. Poverty in a region can be understood through the analysis of national poverty lines, the distribution pattern of poverty incidence among rural/urban areas, across gender and various socio-economic classes, and the governments' efforts to eradicate poverty through various poverty alleviation programs.

World Bank Development Report, 2008 shows that in Bangladesh 41.3% of people live below \$1 a day followed by India 34.4%, Nepal 24.1%, Pakistan 17% and China 9.9%. In the Asia & Pacific region the proportion of people in extreme poverty was highest in South and South-West Asia (at 36%), followed by South-East Asia (21%), East and North-East Asia (13%), and North and Central Asia (8.2%). People living in extreme poverty in Asia and the Pacific declined from about 1.6 billion in 1990 to 0.9 billion in 2008.

In India poverty is explained as the deprivation of the minimum level of living for an individual. Several studies were conducted in India to find the extent of poverty some of the important findings are as follows: Ojha (1968) found that 70 percent of India's population was living below poverty line. Dandekar and Rath (1969) estimated that 40 percent of rural population and 50 percent of urban population was below the poverty line. A study made by Minhas (1968) on rural poor showed that the percentage of rural poor in the year 1967-68 was 50.6 percent. Bardhan (1969) estimated that the rural poor in India were 54 percent. 1968-69. Ahluwalia (1977) in his study revealed that the percentage of rural poor in the year 1967-68 was 40 percent. Dandekar (1984) estimated that a total of 44.4 percent were living under poverty line. Datt and Ravallion (1989) in their paper, "Regional Disparities, Targeting and Poverty in India", developed the concepts of Poverty line and Poverty gap. According to their study 40 percent of urban population and 45 percent of rural population was poor in 1983. The World Bank (1988) supported that the incidence of poverty came down to

39.6 percent. Minhas, Jain and Tendulkar (1988) in their study revealed that the incidence of poverty came down to 44.8 percent in rural areas and 36.5 percent in urban areas relatively. The Planning Commission report (2007) revealed that poverty estimates in India came down to 36 percent in 1993-94 to 27.5 percent in 2004-05. Taking into account the international poverty line as \$1 a day 34.4% and as \$2 per day 80.4% of the Indian population is below poverty line in 2004-05. The poorest among the poor are women.

"To alleviate Poverty the structure of production has to be employment generating especially in non agricultural occupations" - Expert Committee, Planning Commission of India.

The following measures are undertaken for poverty reduction in India

- Empowerment of the poor through education and skill formation. The development of 378 universities and 18,064 colleges, 1.52 lakhs of secondary and high schools, 10.43 lakhs of primary and upper primary schools.
- Providing employment through National Employment Guarantee Act, 2008
- Empowerment through skill formation for our expanding IT sector.
- Empowerment of poor through rural housing program known as Indira Awaas Yojana and National Rural Health Mission and National Urban Health Mission (2005).
- Encouragement of entrepreneurship activities through micro credit. Most of the poverty alleviation programs focus on women, scheduled caste scheduled tribes and the physically challenged.

Entrepreneurship

Entrepreneurship and entrepreneurs had been the engine of economic growth and promotion of equitable development. Entrepreneurship is a process involving various functions to be under taken to establish an enterprise. It promotes employment opportunity. Entrepreneurship is often driven by

individual creativity and innovation. New knowledge and techniques of production are brought to the market by creativity and innovation. Productivity is increased and there are more goods and services with less labor and other inputs. Entrepreneurial dynamism forms the corner stone of a progressive society.

Entrepreneurship in India

Trade and enterprises were important activities in India well before the British period. India's culture was an entrepreneurial culture. India's trade made a significant contribution to the world economy.

By AD 1000, India's estimated share in the world economy was over 30%, the largest in the world economy. This reduced to about 25% by the year 1500. During the colonial period by the end of the 18th century, the Indian economy witnessed the large scale exploitation of domestic resources. It became a captive supplier of raw materials. Investment in the economy fell sharply severely dampening growth. A study made by Cambridge University historian Angus Maddison revealed that India's share in the world was 22.6% in 1700 and 3.8 percent in 1952. Following independence India adopted a socialist mode of self reliance. The task of national reconstruction fell into the hands of the private sector. Government was not limited to social development and redistribution of income it extended to manufacturing and the fulfillment of thousands of basic services to citizens. In trying to become self reliant the country built its barriers around itself particularly in the areas of industrial licensing, tariffs and controls. This prevented its integration into the world economy. This restrictive trade practice remained in India for the next four decades. India became relatively isolated from the rest of the world. During the period of Rajiv Gandhi the seeds of economic liberalization were sown. The process of economic reform, liberalization and structural adjustments were initiated in the early 1990's. This process began as a compulsion and lacked a holistic approach. After two decades the economic reforms in India can look back commendable achievements. In contemporary India the Government plays promotional role by creating awareness on entrepreneurship programs, loans and marketing facilities. It plays the supportive role in setting up entrepreneurial units, making financial arrangements, maintenance and development of the enterprises. It has another significant role the regulatory role such as enactment of laws, passing on Government orders on clearance for the construction, supply of power, tax reliefs, concessions, etc.

Women Entrepreneurs

In India women as an independent target group account for about 495.74 million and represent 48.3 percent of the country's total population as per the 2001 census report. Women in the economically active age group 15-59 years who count for 289.40 million (58.4 %) have different demand like those of education and training, employment, income generation and participation in the developmental process, decision making etc (Tenth Plan 2002-2007). With the advent of industrialization and modernization, women have assumed greater responsibility, both at home and in the world of work. This is reflected in the increasing work participation rate of women which was 19.7% in 1981 and rose to 25.7% in 2001. However, this is still low compared to male work participation rate, which was 52.6% in 1981 and 51.9 % in 2001. The number of women in the organized sector was 4.95 million on 31st March 2001, of whom 2.86 million were in the public sector and 2.09 million were in the private sector. The number rose to 5.120 million on 31.03.2006, and of these women, 3.003 million were in the public sector and 2.118 million were in the private sector. Several measures have been taken at regional,

national and international level for the economic development and improvement in the status of women in India. The structural changes made in education and employment has led to empowerment of women in contemporary India (Singh, 2004:137).

"Employment of women increases her power as she earns money and keeps control over it. It gives her more confidence. She becomes more assertive. Employment changes the attitude of women towards society. Increased income raises the standard of living by acquiring assets of worldly comforts" - Sharma, 1992

Government of India defines 'Woman entrepreneur' 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 employment generated in the enterprise to women". Women entrepreneurs create new jobs for themselves and others and also provide for society. Engaging in such productive pursuits contributes to the growth of women. It gives exposure, enthusiasm, avenues for expression and exploration of potential and the confidence to face the world. The other positive outcomes are gaining respect from family members and society, moving towards achieving gender equality, inspiration to other women, leaving a legacy and supplementing the family income. In India women entrepreneurs can be classified into three main categories. Forced Entrepreneurs are women who are compelled by circumstances/family business to become entrepreneurs. Created Entrepreneurs are women who are specifically identified, motivated, trained, equipped and developed as entrepreneurs and Chance Entrepreneurs are women who enter business by luck. Some of the reasons for women becoming entrepreneurs are limited job opportunities need to supplement family income, social pressure of increased standard of living, utilization of spare time, self esteem needs, increasing awareness, impact of role models in the industry/ business, constant motivation by government or non government organizations, impact of media and attractive incentives and subsidies.

Women Entrepreneurship and Poverty Reduction

In India entrepreneurship has been encouraged among poor women through several institutions. National Bank for Agricultural and Rural Development extends its financial support for the development of entrepreneurship. Many state governments have insisted upon the banks to give priorities in credit to the self help groups. The three micro finance agencies namely, Commercial Banks, Regional Rural Banks and Cooperative Banks play an important role in the formation of self help group- bank linkage program in different parts of India. During 2007-08, the commercial banks constituted 55 per cent of the total self help groups linked with external credit and the cumulative amount lent to the self help group was Rs. 11, 39, 750/- crores which constituted 63 per cent of the total lending to the self help groups. Regional Rural Banks also had a significant contribution to the self help group bank linkage program. It included 31 per cent of the total cumulative self help groups and 28 percent of the loan amount borrowed. Co-operative banks constituted the remaining 14 per cent self help groups and 9 percent of the total amount lent to the self help groups. Non government organizations play a significant role in promoting entrepreneurship through self help groups. Several studies reveal the significance of entrepreneurship in poverty reduction among women. Rathore and Singh (2008) made an analysis on the women enterprises. They analyzed the need of women entrepreneurship development for the development of women as well as nation. They concluded that women have the potential and the will to establish and manage enterprise of their own. Rajani (2008) in her article on

"Management Training Needs of Women Entrepreneurs" says that entrepreneurial talents and capabilities are latent in all communities but their translation to innovative action depends on appropriate stimuli and environment and these stimuli can be generated through training. She concludes that women need training, finance, co-operation and encouragement in the sphere of activities at all levels- home, the society and the government. Soundarapandian (2006) has conducted a study on "Micro Finance for Rural Entrepreneurs" in Madurai district. He investigated 30 women self help groups under Swarna Jayanthi Swarozgar Yojana and concluded that self help groups play a vital role in development of women. Naik (2003) analyzed the need for developing women entrepreneurs. She has emphasized that women have not taken advantage of laws and facilities and need for women entrepreneurship development. Kumaresan (2002) studied the role of self help groups in promoting micro enterprises through micro credit in Pune. He found that the main source of money for savings was the labor wage, and the micro enterprises created by non government organizations were more viable and sustainable than the self help groups created under the government scheme, Development of Women and Children in Rural Areas. Studies conducted in various parts of India such as Karnataka, Tamilnadu and Andhra Pradesh show that the micro enterprises which are steered through the self help groups have led to rural transformation. A study by Gopalakrishnan (1998) indicates that the women under self help groups showed a positive change towards child care, environment, sanitation, drinking water, public speaking and child education.

Promotion of Women Entrepreneurship

Entrepreneurship has been the engine of economic growth and for promoting development among women in India. The social workers have to promote an entrepreneurial culture. They need to create awareness on entrepreneurship which will promote a climate which would value entrepreneurial behavior and raise community support for entrepreneurship and development of enterprises. Entrepreneurial awareness is the consciousness about the importance of the role entrepreneurs play in accelerating growth of the economy and in enriching the quality of life of the people. Such awareness will help women realise societal and environmental challenges and equip themselves to shape the future through entrepreneurship activities.

Entrepreneurship is often driven by individual creativity and innovation. An entrepreneur requires life skills such as self confidence, motivation to explore one's own talent, capability to match the one's capacity and innovation with the market need, interest to learn, experiment and achieve, innovation, a burning desire for financial independence, willingness to explore opportunities for growth and risk taking behavior. Development of such life skills is essential to start and manage entrepreneurship activities.

One of the major functions of social work would be to link women with the entrepreneurship development programs for

reduction of poverty. In the era of globalization and the threats to the economy of developing countries through Foreign Direct Investment, entrepreneurship is encouraged as a pro poor strategy, being an important feature of an informal economy of any country. Entrepreneurship assumes significance for its contribution to employment, poverty alleviation and economic development of women.

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