



## WOMEN'S ENTREPRENEURSHIP: A RHETORIC THAN REALITY

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### ABSTRACT

The role of women as an entrepreneur has gained currency throughout the globe. Their participation in the economic affairs of the country is considered as important as the participation of their male counterpart. Each and every woman works for the sustenance of the family, but her work is not measured in terms of gross domestic product or gross national product. Against this background, women are trying to redefine their role and making efforts for getting out from housekeeping to managerial position. As the task is very hard, and majority of the women are independent on other members of the family, they came forward with the formation of group for becoming an entrepreneur and accelerated the phase of inclusive development. The present paper seeks to identify the hurdles that are taking roots in their redefined role.

### KEYWORDS

Entrepreneur, gross domestic product, gross national product, group, inclusive development

### INTRODUCTION:

In both the developed and developing countries, perhaps the most vulnerable sections among the poor are women. They are over burdened with traditions, customs, rituals and different scripts that prescribe some complex social tasks like child care, managing household affairs and in most cases these are unilaterally imposed on them. The role of women is basically a social construction. Any study on the status of women must be understood from this sociological point of view. Recognition of Women's right to vote in England is a turning point in the history of political exclusion of women throughout the world. After ten years of this historical recognition of women's politics, British novelist Virginia Woolf's reminiscence is very attractive when she says that 'a woman must have money and a room of her own if she is to write a fiction.'<sup>1</sup> This is perhaps the first phase that enjoins women to act politically. That was the keynote address of the first wave of feminism. Women are enjoining political rights in different forms in different political systems, still a bias, a gap and discrimination exists between these two sexes. This is likely true that the history of civilization has been glorified with the works of some 'maverick pioneers' from women worldwide, the most unlikely thing is that the conditions of the general women from ordinary walks of life would continue to lagging behind<sup>2</sup>. It is the lack of space 'of her own' that Woolf considers as the most important factor of their exclusivity. Writing after 50 years of Woolf, Danish Economist Boserup in 1970 has said that women's contributions are counted only in household work and not in general welfare of the society. Boserup argues that women's involvement in agriculture is more important than men if the primitive mode of production is taken into consideration. But with the advancement of technology, with the transfer of production from the domestic area to a more expanding, intricate and technology oriented spheres, women start losing their importance in production for the lack of their technical knowledge, because by this time production has become knowledge based. As a result male domination starts<sup>3</sup>. But the contribution of Ester Boserup deserves special mention, because he was the first thinker who focused the contribution of women in direct productive work in his book, *Women's Role in Economic Development* in 1970. Since then, the status of women has experienced a perceived change throughout the globe. The traditional role of the women like cooking at home, rearing the child, looking after the elders in times of illness has been changed in the face of growing industrialization, globalization and social legislation and women have started leaving their kitchen and into more complex professional activities. The present paper is an attempt that seeks to focus on the entrepreneurial role of women and their contribution to the

economic development of the nation.

### CONCEPTUAL FRAMEWORK

1. Both the classical and neo-classical theorists have tried to define entrepreneurship, but the most unlikely result is that there is no single definition of the concept in question. The notion of 'entrepreneur' and 'entrepreneurship' has been used in different senses in different epoch of the history. Entrepreneurship is an inborn quality of an individual. In the Middle Ages, an entrepreneur seemed to be a man who was active and got things done. In the 16th century, it described those who risked their lives and fortunes in War. In the 17th and 18th century, it denoted those who risked their wealth in a business enterprise or financial contract, yet, all these notions do not address the core ideas of entrepreneurship, as we understand it today.<sup>3</sup> Most recent research addresses the issue of entrepreneurship as a venture that involves a nexus of 'two phenomena: the presence of lucrative opportunities and the presence of enterprising individuals'. According to an estimate, three billion people in the world survive on less than two dollars a day. As market capitalism is taking strong roots in the present day globalised world, many of these people are being forced to create some type of business to survive. This entrepreneurial obligation necessitates the reformation of financial sectors. Microfinance is thus, the result of this financial reformation. Microfinance is now regarded a necessary means for accelerating the process of rural development. There have been government policies to link microfinance with the rural development process for more than four decades. In 1960s and 1970s, agricultural credit policy was formulated by different countries as a necessary support to the introduction of new, more productive technology that would simultaneously improve farmers' income and feed the nation. Later on the provision has been widened to include other sections of rural people engaged in a variety of enterprises such as trade, handicrafts, and small scale industry. International development discourse is now intimately linked with Millennium development goals, the holistic goals of eradicating poverty and microfinance has firmly linked to this goal. Rural credit policy through financial institutions has a long history, but has gained currency in the last few decades. Lending money to someone and borrowing from others is a long practice that people have since times immemorial. It is probably true that the father of Indian ancient economics, Kautilya might have dwelt upon some financial arrangements like microfinance of the present day. In the late 19th century, the implementation of rural credit policies has been debated internationally with a vow objective of 'banking with poor', as pioneered in Germany by Raiffeisen and Schulze Delitsch. The people's bank,

as they were known, was a part of broader financial reform that pushed Germany from a backward economy to a faster growing economy within a span fifty years. In 1913, when these banks had reached their highest peak, two millions people were members of various banks.<sup>4</sup> Influenced by this successful story of pioneering Germany, many countries later on tried to follow this German approach of poverty alleviation programme including India. Whereas some countries like Ireland failed to score as like as Germany, the model had successfully run in India that gave birth cooperative credit movement in 1904 in India. The cooperatives were popular particularly in Bengal, but successive political upheavals and devastating feminine were the root cause of their disappearance from that region<sup>5</sup>. The world has now witnessed a successful comeback of microfinance institutions in 1980s and since then it has become a potential tool particularly for the poorer sections of the society to become the first generation entrepreneurs. Microfinance is a multidimensional subject. It is not possible to cover the whole spectrum of the subject. The focus will be given on two aspects: first, the issues relating to the constraints that act as a barrier on the part of the women to have a greater access to formal financial institutions, and the role of microfinance as a tool for women's entrepreneurship.

**1.1** We are very much familiar with the terms 'microcredit' or 'microfinance' that are often used interchangeably in the context of developmental study. Grameen Bank of Bangladesh is the pioneer to coin the term 'microcredit' in 1970s and become popular in different corners of the world in 1980s. Grameen Bank of Bangladesh sees microcredit as a 'delivery of small loans to the rural poor, especially to women, who have been disqualified by the private money lenders.<sup>6</sup> Microcredit is primarily different from formal bank credit, it is collateral free and the basic objective is to increase income at the local level through micro entrepreneurial activities. Microfinance, as we understand it at present, also bears the same connotation. It is a financial arrangement made by Microfinance Institutions (MFIs) for poor and low income groups. These institutions, in common practice, offer loans to unsalaried beneficiaries, taking no or little collateral. Here, lending of loan is linked with group approach, 'pre-loan savings requirement', repayment of loan in time as a guarantee of future loan instantly etc. Microfinance, broadly speaking, is thus, a movement that finances worldwide the low income groups to enhance their income producing enterprises, build assets, increase the degree of consumptions, and to protect against risk factors like natural disaster, illness and so on. Microfinance is not only a credit oriented service; it promotes habits of savings, insurance, money transfers also. Studies carried out in Bangladesh and in some other Asian countries reveal that participation in microcredit programme results in micro entrepreneurs' economic and social empowerment.<sup>7</sup>

As I stated in the earlier section, the most excluded sections of the society are women, having lower labour force participation, but, according to an ILO estimate women represents surprisingly 60% of informal employment. In 2001, the World Bank had highlighted the need for reforming institutions to guarantee the same rights and opportunities as enjoyed by their counter parts as well as promoting economic and political participation.<sup>8</sup> A decade later, women still faces constraints in the labour market and in the sphere of other services creating a space for gender inequalities.<sup>9</sup>

## STATEMENT OF THE PROBLEM

The debate on women's entrepreneurship has been going on for a number of reasons. At least two, for me, seems to be very important. The first reason is that women's entrepreneurship has been globally recognized as a prime tool for economic development since last decade. Taking entrepreneurial initiative, women folk have come out from the kitchen and have been able to create new jobs for themselves and for others and offering new solutions to managements, organizations and long standing problems of exploitation of women entrepreneurial creativity. Still, women belong to the minority group

of the entrepreneurs. Thus, there exists a failure on the part of the global market to exert the possibility of becoming a successful women entrepreneur. This market failure needs to be successfully addressed. The second reason is that the subject of women entrepreneurship has been grossly neglected in society in general and in the social sciences.<sup>10</sup> While over viewing an array of literatures concerned, it is revealed that not only have women lower participation in enterprises, but also women generally start business that are different that men tend to do and viewed as less important for economic growth of the country. As a result, equal opportunity between men and women from the perspective of women entrepreneurship is still seems to be rhetoric than reality.

## METHODOLOGY

The present paper is a short review paper and is an initial effort of UGC sponsored project entitled, "Women's Entrepreneurship and Empowerment through Self Help Group: A Case Study of Cooch Behar District". The first step of the project is literature review. Thus, the entire paper is constructed on the basis of secondary resources, primarily books and journals. However, being a participant observer, important ideas about different business organization run by women are gathered. In addition, informal interactions with several members of the women Self-Help Groups are also important source of information that helps me in articulating my ideas about women enterprises. I will limit my discussion on the problems that women face as an entrepreneur. Certain major problems are identified, though not exclusive, that are to be sincerely addressed by the policy makers of our country.

## PROBLEMS OF WOMEN ENTREPRENEURS IN INDIA

**Patriarchy:** The patriarchal family structure is a major hurdle in the way of bringing equal opportunity between men and women on the question of entrepreneurship. Patriarchal domination comes from different sources. Religious text is such a source that portrays women in an undignified manner. In Ram Charit Manas, by Saint Tulsi Das, we find some verses that equate women with the drum, the ignorant, the Sudra and the animal.<sup>11</sup> In Bhagwat Gita, here too, they are viewed as of pap-yoni (the inferior birth) and they would get paraingati (good end of life) by worshipping Lord Krishna.<sup>12</sup> In Manusmriti, texts are found that strongly advocate the dependence of women through their lives on male members of the family. Ambivalence also persists about women in the social structure. There is an oft-quoted extract that we say: even the God does not know the character of women and the destiny of man. William Shakespeare, while commenting on women said, 'Frailty thy name is women' and Maithili Saran Gupta sketched the women as weak, dependent, and powerless. However, the feminists today, straightforwardly rejects the dogma 'women' as weaker sections of the society, still they admit that majority of women are poor, marginalized, disempowered, culture bound and alienated. The vicious circle of patriarchy, inequality is a trap that binds women with chains in every walk of life.

**Financial:** Women do not possess adequate financial resources and working capital. Their access to credit market is limited. In India women generally lacks property rights and the extent of their accumulation of wealth or so-called bank balance is disappointing. In most cases, male members of the family decline to invest their capital in those ventures which are run by women perceiving the consequences of their inability to run the business successfully. Sanctions of bank loans is not easy way, it requires various kinds of documents that women generally do not have. The most likely situation is that women are compelled to borrow money from private money lenders where the rate of interest is very high. The ultimate result is that they fail to generate profit and cannot survive.

**Marketing:** Women entrepreneurs often find it difficult to market their finished products. They have to depend upon the brokers or middleman for marketing their products who in turn pocket a good amount of profit. Marketing, at present day global economy, has become complex and competitive.

Any product to be popular in an open market needs proper advertisements that involve a huge amount of financial arrangement and the most unlikely situation is that women entrepreneurs are not able to bear this burden.

**Lack of Managerial aptitudes:** Today's economy is known as knowledge economy. Every entrepreneurial activity demands a high degree of aptitude and expertise that women lack in running their enterprises. As women are unilaterally preoccupied with other household activities, they cannot devote sufficient time to run their business. This is a structural problem that women cannot overcome.

**Stiff Competition:** In this globalised economy, entrepreneurship has become competitive. Women entrepreneurs have to face hard competition from the organized business industries and male counterparts having vast knowledge in the field. Organizational failure is a major problem of women entrepreneurs. Defective organizational set up often results in defec-

tive policy formulation and therefore, fail to sustain in the face of stiff competition.

#### CONCLUDING REMARKS:

So, the problems are many and only a small portion of it is interrogated. Remedial measures can be initiated primarily in two ways. Structural arrangements are to be provided to the women in the form of financial support system and introducing them with the knowledge economy of the present day. The second is the attitudinal changes that are needed for bringing equity between men and women.

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