WOMEN ENTREPRENEURSHIP DEVELOPMENT IN INDIA

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ABSTRACT

BACKGROUND

Women entrepreneurship development is an essential part for economic development of country. The development of women entrepreneurship in India is low compared to other countries. Women should have awareness about new schemes and rights for entrepreneurs in India. There is a need for changing the mind-set towards women so as to give equal rights as enshrined in the constitution. The progress towards gender equality is slow and is partly due to the failure to attach money to policy commitments. In the words of president APJ Abdul Kalam, "empowering women is a prerequisite for creating a good nation, when women are empowered, society with stability is assured. Empowerment of women is essential as their thoughts and their value systems lead to the development of a good family, good society and ultimately a good nation." The role of women entrepreneur in economic development is also being recognised and steps are being taken to promote women entrepreneurship. Entrepreneurship is the need of the hour emphasising on educating women strata of population, spreading awareness and consciousness among women to outshine in the enterprise field, making them realise their strengths, and important position in the society and the great contribution they can make for their industry as well as the entire economy.

KEYWORDS

Women Entrepreneurship, Female Entrepreneurship.


BACKGROUND

Traditionally, an entrepreneur has been defined as "a person who starts, organises and manages any enterprise, especially a business, usually with considerable initiative and risk". Rather than working as an employee, an entrepreneur runs a small business and assumes all the risk and reward of a given business venture, idea, or good or service offered for sale. The entrepreneur is commonly seen as a business leader and innovator of new ideas and business processes. Entrepreneurs tend to be good at perceiving new business opportunities and they often exhibit positive biases in their perception.

Before the 20th century, female operated small business was a way of supplementing their income. In many cases, they were trying to avoid poverty. At that time, the ventures that these women undertook were not thought of as entrepreneurial. Many of them had to focus on their domestic responsibilities. The term entrepreneur is used to describe individuals who have ideas for products and/or services that they turn into a working business. In earlier times, this term was reserved for men.

Women became more involved in the business world only when the idea of women in business became palatable to the general public. A recent international study found that women from low to middle income countries (such as Russia and the Philippines) are more likely to enter early stage entrepreneurship when compared to those of higher income countries (such as Belgium, Sweden, and Australia). A significant factor that may play a role in this disparity can be attributed to the fact that women from low income countries often seek an additional means of income to support themselves and their families. Overall, 40 to 50 percent of all small businesses are owned by women in developing countries.

Sources

https://en.wikipedia.org/wiki/Female_entrepreneurs

Women's rights are secured under the Constitution of India- mainly, equality, dignity, and freedom from discrimination; further, India has various statutes governing the rights of women.

Women-owned business in developing countries today are micro, small or medium enterprises. Often they do not mature. This is negative for growth and poverty reduction. Understanding the specific barriers women’s businesses face, providing solutions to address them are necessary for countries to further leverage the economic power of women for growth and the attainment of development goals.

Women entrepreneur may be defined as a woman or group of women who initiate, organise, and run a business enterprise. In terms of Schumpeterian concept of innovative entrepreneurs, women who innovate, imitate or adopt a business activity are called "women entrepreneurs”.

Concept of Entrepreneur

Generally, an entrepreneur is a person who starts and runs a new business or organisation. A founder, who develops a business plan, gets financing, hires employees and runs the business. The entrepreneur takes the risks and, if successful, enjoys the benefits. A person who sets up a business or businesses takes on financial risks in the hope of profit. The entrepreneur starts with a good idea for a new business. While the business grows, the entrepreneur is the central person in the business.
Concept of women Entrepreneur Enterprise-
"A small scale industrial unit or industry-related service or business enterprise, managed by one or more women entrepreneurs in a concern, in which they will individually or jointly have a share capital of not less than 51% as shareholders of the private limited company, members of cooperative society".

List of Women Entrepreneur Loan Schemes in India
- Stree Shakti Package – Women Entrepreneur Loan Schemes.
- Annapurna – Women Entrepreneur Loan Scheme.
- Cent Kalyani – Women Entrepreneur Loan Schemes.
- Dena Shakti – Women Entrepreneur Loan Schemes.
- SIDBI Mahila Udyam Nidhi.
- Udyogini – Women Entrepreneur Loan Scheme.

Facts on Women Entrepreneurship in India
There are over eight million women entrepreneurs in India, with Tamil Nadu having the highest share.

GN Bureau April, 2016.
- The sixth economic census, released by ministry of statistics and program implementation, presents a worrisome picture of the status of women entrepreneurs in the country.
- The survey shows that women constitute only 13.76% of the total entrepreneurs, i.e. 8.05 million out of the 58.5 million entrepreneurs.
- These establishments in total, owned by females, provide employment to 13.45 million people.
- Another revelation is that out of these entrepreneurs, 2.76 million women (34.3% of the total entrepreneurs) work in agriculture sector whereas 5.29 million females (65.7% of the total entrepreneurs) work in non-agricultural sectors.
- In the agriculture, livestock dominates (with a share of 31.6%) among all other farming activities.
- Among the non-agricultural activities owned by women entrepreneurs, manufacturing and retail trade are dominant ones with corresponding percentages being 29.8% and 17.8% respectively.
- Out of the total establishments under women entrepreneurs, percentage share of various social and religious groups- OBC: 40.60%, SC: 12.18%, ST: 6.97% and Others 40.25%; Hindus: 65.6%, Muslim: 12.84% and Christian: 5.2%.
- Among the states, the largest share in number of establishments under women entrepreneurship is from Tamil Nadu (13.51%) followed by Kerala (11.35%), Andhra Pradesh (10.56%), West Bengal (10.33%) and Maharashtra (8.25%).
- Average employment per establishment for women owned establishments is 1.67.

See more at

Top Women Entrepreneurs in India
Indira Nooyi
This brilliant corporate woman 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 Pepsi cola in 2001. Wall street journal included her name in the top fifty Women to watch in 2005. Simultaneously Fortune Magazine also declared her 11th most powerful Woman in business.

The most well-known face amongst Indian women entrepreneurs -Indira Nooyi is the CFO and President of PepsiCo. With a Master Degree in Public Management from Yale University and Masters in Finance and Marketing from IIM, Kolkata, Nooyi held several senior positions at Motorola and Asea Brown Boveri before joining PepsiCo. Born in Chennai, Indira did her Bachelor's in Science from Madras Christian College in 1974. Beginning her career in India, Nooyi held product manager positions at Johnson & Johnson and textile firm Mettur Beardsell. Nooyi joined PepsiCo in 1994 and was named president and CFO in 2001. She has been conferred with prestigious Padma Bhushan for her business achievements and being an inspiration to India’s corporate leadership. Her strong acumen for business has helped the company garner as much as 30 billion dollar worth of crucial deals within the last couple of years.

Dr. Kiran Mazumdar Shaw
She is the chairman & managing Director of 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.

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. Naina Lal Kidwai is one of the most successful and famous Indian businesswomen of today. She is currently Country Head and Group General Manager, HSBC Group India. Apart from working at HSBC, Kidwai has also held other eminent positions such as that of Global Advisor, Harvard Business School, non-executive director at Nestle SA and as a member of Governing Board, NCAER, Auditor General of India and several other positions.

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

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. IT was not Dhawan’s first choice. Like most B-school graduates, she was keen to join FMCG majors like Hindustan Lever and Asian Paints. But both companies rejected Dhawan. They did not want to appoint women for marketing. She got an offer to get in to banking at ANZ Grindlays Bank. She declined. Dhawan started her career with HCL Technologies and spent 14 years learning the nuances of sales and marketing. She has been the Managing Director at Hewlett-Packard India Pvt Ltd. since July 1, 2008, with a portfolio that includes software engineering, research and IT services. She has been a Member of Supervisory Board of Koninklijke Philips Electronics NV since April 2012. Ms. Dhawan serves as a Director at HP India Pvt Ltd.

Shahnaz Husain
She is another successful Women entrepreneur of India. She popularised herbal treatments for beauty and health problems. Her company Shahnaz Husain Herbal was the largest of its kind in the world and has a strong presence in over hundred countries, from the US to Asia. Shahnaz Husain’s journey as an entrepreneur is a great inspiration for all the young entrepreneurs and startup ventures. Shahnaz Husain is one of the rare and few first generation women entrepreneur, a pioneer, visionary and an innovator, who introduced a totally new concept of Ayurvedic Care and Cure worldwide. She created a brand with universal appeal and application. Shahnaz Husain’s brand found place in the international market for Ayurvedic beauty care. In a world ridden with environmental degradation, Shahnaz Husain ventured into the world of nature and its healing powers, taking the Indian herbal heritage of Ayurveda to every corner of the globe with a crusader’s zeal.

Ekta Kapoor
Who is popularly known as the “soap queen”, Creative Director of Balaji 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. The woman who changed the face of Indian television – Love them or hate them, you just cannot ignore Balaji serials and Ekta Kapoor is the woman who single-handedly founded and made Balaji Telefilms the household name it is today. This baby-faced teenager, who once dreamed of marrying and settling down just like any other woman in India, is the creative head of Balaji Telefilms and counted as one of the top 10 women entrepreneurs of today. Her production house has many hit serials to its credit – ‘Kyunki Saas Bhi Kabhi Bahu Thi’, ‘Kahani Ghar Ghar Ki’ and many others, making her the Queen Bee of the Indian soap opera scene. She has won the Hall of Fame award at the 6th Indian Telly Awards during 2006 for her contribution to the Indian television industry. Known to be fiercely protective of her company and brand, Ekta is also very professional and has a strong business acumen.

Problems Faced by Indian Women Entrepreneur
- **Family Ties**
Women in India are very emotionally attached to their families. They are supposed to attend to all the domestic work, to look after the children and other members of the family. They are overburdened with family responsibilities like extra attention to husband, children and in-laws which take away most of their time and energy. In such situation, it will be very difficult to concentrate and run the enterprise successfully.

- **Male Dominated Society**
Even though our constitution speaks of equality between sexes, male chauvinism is still the order of the day. Women are not treated equal to men. Their entry to business requires the approval of the head of the family. Entrepreneurship has traditionally been seen as a male preserve. All these put a break in the growth of women entrepreneurs.

- **Lack of Education**
Women in India are lagging far behind in the field of education. Most of the women (around sixty percent of total women) are illiterate. Those who are educated are provided either less or inadequate education than their male counterpart partly due to early marriage, partly due to son’s higher education and partly due to poverty. Due to lack of proper education, women entrepreneurs remain in dark about the development of new technology, new methods of production, marketing and other governmental support which will encourage them to flourish.

- **Social Barriers**
The traditions and customs prevailed in Indian societies towards women sometimes stand as an obstacle before them to grow and prosper. Castes and religions dominate with one another and hinder women entrepreneurs too. In rural areas, they face more social barriers. They are always seen with suspicious eyes.

- **Shortage of Raw Materials**
The scarcity of raw materials, sometimes unavailability of proper and adequate raw materials sounds the death-knell of the enterprises run by women entrepreneurs. Women entrepreneurs really face a tough task in getting the required raw material and other necessary inputs for the enterprises when the prices are very high.

- **Problem of Finance**
Women entrepreneurs suffer a lot in raising and meeting the financial needs of the business. Bankers, creditors and financial institutes are not coming forward to provide financial assistance to women borrowers on the ground of their less creditworthiness and more chances of business failure. They also face financial problem due to blockage of funds in raw materials, work-in-progress, finished goods and non-receipt of payment from customers in time.

- **Tough Competitions**
Usually women entrepreneurs employ low technology in the process of production. In a market where the competition is too high, they have to fight hard to survive in the market against the organised sector and their male counterpart who have vast experience and capacity to adopt advanced technology in managing enterprises.
High Cost of Production
Several factors including inefficient management contribute to the high cost of production which stands as a stumbling block before women entrepreneurs. Women entrepreneurs face technology obsolescence due to non-adoption or slow adoption to changing technology which is a major factor of high cost of production.

Low Risk-Bearing Capacity
Women in India are weak, shy and mild by nature. They cannot bear the amount risk which is essential for running an enterprise. Lack of education, training and financial support from outsiders also reduce their ability to bear the risk involved in an enterprises.

Limited Mobility
Women mobility in India is highly limited and has become a problem due to traditional values and inability to drive vehicles. Moving alone and asking for a room to stay out in the night for business purposes are still looked upon with suspicious eyes. Sometimes, younger women feel uncomfortable in dealing with men who show extra interest in them than work related aspects.

Lack of Entrepreneurial Aptitude
Lack of entrepreneurial aptitude is a matter of concern for women entrepreneurs. They have no entrepreneurial bent of mind. Even after attending various training programmes on entrepreneurship, women entrepreneurs fail to tide over the risks and troubles that may come up in an organisational working.

Limited Managerial Ability
Management has become a specialised job which only efficient managers perform. Women entrepreneurs are not efficient in managerial functions like planning, organising, controlling, coordinating, staffing, directing, motivating, etc. of an enterprise. Therefore, less and limited managerial ability of women has become a problem for them to run the enterprise successfully.

Legal Formalities
Fulfilling the legal formalities required for running an enterprise becomes an upheaval task on the part of a woman entrepreneur because of the prevalence of corrupt practices in government offices and procedural delays for various licenses, electricity, and water and shed allotments. In such situations women entrepreneurs find it hard to concentrate on the smooth working of the enterprise.

Exploitation by Middlemen
The women entrepreneurs are suffering from inadequate financial resources and cannot run around for marketing, distribution and money collection, they have to depend on middlemen for the above activities. Middlemen tend to exploit them in the guise of helping. They add their own profit margin which result in less sales and lesser profit.

Lack of Self-Confidence
Women entrepreneurs because of their inherent nature lack self-confidence which is essentially a motivating factor in running an enterprise successfully. They have to strive hard to strike a balance between managing a family and managing an enterprise. Sometimes she has to sacrifice her entrepreneurial urge in order to strike a balance between the two.

How to Develop Women Entrepreneurs?
Right efforts from all areas are required in the development of women entrepreneurs and their greater participation in the entrepreneurial activities. Following efforts can be taken into account for effective development of women entrepreneurs:

- Better educational facilities and schemes should be extended to women by the government.
- Special loan facilities should be offered to women to enter the market.
- Encouragement of Women with special managerial skills.
- Vocational training to be provided with requisite skills.
- Professional Training on special competence and leadership should be given.
- Training and development for women entrepreneurs should be offered.
- Assistance with special schemes should be provided.
- Women entrepreneurs training program should be provided.
- The financial support should be provided.

CONCLUSION
According to the study, it has been observed that Women are very good entrepreneurs, and prefer to choose the same as they can maintain work-life balance. Even though we have many successful Women Entrepreneurs in our country, we have a male dominated culture and there are many challenges which women entrepreneurs face from family & society.

Women entrepreneurship must develop skills and knowledge to meet their growth globally. 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 outmatching our own conservative and rigid thought process which is the biggest barrier in our country’s development process.

A smart woman can pick up a job any day, but if she becomes an entrepreneur she can provide a livelihood to more women. Highly educated, technically sound and professionally qualified women should be encouraged for managing their own business, rather than depending on wage employment outlets. The unexplored talents of young women can be identified and used for various types of industries to increase the productivity in the industrial sector.

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