
Women Empowerment and Entrepreneurship in India – An Overview

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Introduction

The term 'entrepreneur' stands for a person who, in the real sense, is a self-starter and doer of a business. The acid test of an entrepreneur's performance is his/her ability to organize and build his/her own enterprise. In fact, the key to much of economic development of a country is effective entrepreneurship and here comes the role of women entrepreneur in economic development in no uncertain terms. Today's women enter not only in selected professions but also in trade, commerce and industry. Women are increasingly found to be willing to take up business and contribute to the nation's growth. Their role is also increasingly being recognized and varied steps are being taken over the years to promote women entrepreneurship. Women entrepreneurs may be defined as the women or a group of women who initiate, organize and operate a business enterprise. They need to explore the prospect of starting new enterprise, undertake risks, introduce innovations, administer, co-ordinate and control business and provide effective leadership.

Women entrepreneurial qualities need to be enhanced properly in terms of encouraging their entrepreneurial traits and upgrading their entrepreneurial skills with a view to equipping them to meet the emerging challenges and the changing trends both at the national and global levels. When starting a business, women often face different types of circumstances and barriers in comparison to the male members of the society. They may have to struggle more in terms of specific problems and find little or no opportunity to participate in or get the benefit of different types of support programmes to the extent that men are in a position to avail of and this is a reality despite the fact that many women are well educated and have innovative business ideas.

Though not at all comparable with the developed countries, women entrepreneurs of different categories are fast emerging in India in terms of number, particularly since the 1990s, registering quite a noticeable contribution to the national economy. It is estimated that presently women entrepreneurs constitute about 10% of the total entrepreneurs in India and the percentage is growing every year. It is not unlikely that in the near future, women will comprise 20% of the entrepreneurial force in India.

A good number of Indian women entrepreneurs are found to be making increased utilization of modern technology, increased investments, creating a niche in the export market, generating a sizable employment for others and setting the trend for other women entrepreneurs. But still their potential is far less than realised due to status barriers and certain types of constraints having their roots in a number of socio-cultural-economic reasons. Here lies the need for formulation of appropriate strategies to help them identify the opportunities and sustain their efforts in setting up and managing their ventures, particularly in the small-scale sector, in a more conducive and supportive socio-cultural-economic environment.

There is a definite need to take stock of the current position of women entrepreneurs, particularly in terms of the socio-cultural, educational and legal barriers to women entrepreneurship in India, as well as the efficacy of the existing support programmes in terms of institutional arrangements for need-based, tailor-made training on a regular basis, credit facilities, cost-effectiveness, and marketing support for women to establish their own enterprises. There is a need for creating and updating a meaningful data base on various women entrepreneurship and development programmes in India including profiles of most of the key agencies involved in promoting women's entrepreneurship and women-specific groups for providing greater visibility for women entrepreneurship and role models for potential women entrepreneurs, particularly for the young women entering the field for the first time. Such data base would prove to be really useful for the policy-makers, funding/ donor organisations, and, no doubt, for the women entrepreneurs.

It appears that though the Government of India and the leading international agencies are rightly giving adequate emphasis on the programmes of poverty alleviation, employment generation, income

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generation and small enterprise development with a clear focus on women, there seems to be a general lack of awareness of some factors which have substantial impact particularly upon the small enterprise development process initiated by the women entrepreneurs. This is more so because the problems of running a small enterprise by women can be very different from those which inhibit the growth of women's enterprises in India in general.

http://www.ilo.org/public/english/region/asro/bangkok/paper/fac_ind.htm

Promotion of Women Entrepreneurship – the Key Issues

The key issues in the promotion of women entrepreneurship have been briefly discussed below.

Awareness

Some of the major reasons why women do not or find it difficult to start their own business are lack of role models and difficulties in balancing family and work particularly in the traditional sectors. Even then some of them take the chance but very often most of them have to face new problems in form of lack of or inadequate networks, male-dominated support systems or sometimes real discrimination. Long-term solutions lie in the educational system. Role models, portraying women entrepreneurship, can encourage women to become self-employed in the true sense.

Support

Effective support programmes need to be initiated with a view to achieving the long-term goal of equal opportunities for women and men and to promoting a culture of women entrepreneurship. Meaningful social interactions and public relations, and projects in educational and training institutions for women entrepreneurs can contribute towards this goal. But women, at least a majority of them, still need help at the individual level while trying to give shape to their ideas, get financial support for their projects, and access to relevant networks.

Networking

Men are usually found to use their social connections to initiate business activities, create and renew business contacts and gather relevant information; women are very often found to be hesitant or shy about using such networks for the benefit of their enterprises. Effective networking requires vision, well-defined objectives, strategies, purposeful organisational structures, clear idea about target groups and open mind towards changes.

Education and Training

There is a broad consensus that entrepreneurial education should have a long-term orientation and must be made an input in the education process as early as possible. Educational system needs to be of relevance for entrepreneurial ideas and actions, promotion of personality development and reduction of gender bias and gender-related problems. At the initial stage of business promotion, women do require specific training based on an interdisciplinary approach, involving successful women entrepreneurs in related fields. Both conceptual understanding and hands-on experience remain important.

<http://prowomen.newcome.de/prowomen/english/index.php>

Women's polytechnics and ITIs throughout the country need to be upgraded and specialised institutions should be set up keeping in mind the imperative of women entrepreneurship development in India. The programmes designed and offered should be sensitive enough to the special needs of women, particularly handling the family-work conflict. The usual practice of selecting occupations for women, considering them only as supplementary income providers, should be reconsidered. The women entrepreneurship development programmes need not be confined to developing the low-tech skills only, traditionally believed to be appropriate for the Indian women in general. Rather, emphasis should be given on a number of hi-tech functions for them leading to substantial value addition and profitability which could also be undertaken without affecting their family commitments.

Entrepreneurship training programmes for women should be continuously monitored and upgraded with a view to inculcating entrepreneurial qualities particularly among the young women.

Women trainees should be encouraged to play greater decision-making role in the family businesses, irrespective of the ownership pattern. Relevant education and training and encouragement from and sharing of experience by the successful women entrepreneurs will go a long way in making them more confident, independent, socially mobile and effective entrepreneurs over time.

The Social Mindset – The Challenges before the Indian Women Entrepreneurs

Though the prevalent norms and values of the Indian society are still not conducive enough for the independent growth of the women in general, there have been rapid changes in the recent years in terms of the status and role of women. The typical 'domestic' women who could not think beyond their families until the recent past are now coming up with heightened awareness. It was already well accepted that women do contribute substantially, often in the form of unpaid efforts and varied skills, to the running of family businesses. The economic value of such efforts mostly goes unnoticed and is taken for granted by the family members, particularly the male members. It has been noticed that in many cases the enterprises, though formally owned by the women, are really being run by the male persons in terms of decision making and day to day operations. The increasing presence of Indian women in business is both due to their urge for independent decision-making *vis-à-vis* their life and career and family compulsion, economic in nature, and domestic responsibilities thrust upon them. This socio-cultural reality reduces the efficacy of the women entrepreneurial development programmes in terms of enhancing confidence, independence and social mobility of the women at least to some extent. In order to be effective, such programmes should not be taken up in isolation because entrepreneurship in the true sense demands independent functioning and reasonable control over one's life and activities which are still largely denied, directly or indirectly, to an average Indian woman. What is more important is gradual but definite change in social mindset *vis-à-vis* the existence, capability and role of Indian women rather than just creation and/or reservation of jobs for them here and there. Social and psychological support and educational and training facilities for them are intrinsically more important rather than just providing credit facilities and subsidies for them. (<http://www.123eng.com/forum/viewtopic.php?t=16348>)

Factors like women's education, industrialization, urbanization, legislative measures, technological progress, mobility, etc., have significantly contributed to the sea change in the traditional societies in a fast developing country like India *vis-à-vis* the status of women. It is now clearly evident that, given the opportunity, women in general are willing and capable enough to contribute economically and/ or otherwise. The Indian women have started moving in this direction obviously at their own speed and way given the changing Indian socio-cultural-economic-technological environment. They are increasingly becoming conscious about their existence, and rights and duties in their work situations. A good number of Indian women have already proved their worth even in the largely male dominated business world, a definite enhancement of their empowerment within a very short time. The entrepreneurial potential of Indian women, so far largely latent, is being increasingly realized in the context of growing social sensitivity to their role and economic status in the society. The women entrepreneurs today very much represent the section of women who are trying to explore and work out new areas for social and economic participation. They, with their knowledge, skills, and creative abilities, are increasingly found to develop and run businesses effectively. Changes are noticeable in their personality and living standards. For example, a good number of women students are no longer depending on the limited jobs available and they have started looking at entrepreneurship to improve their living standards and economic status.

There is a definite need to create a culture of enterprising women with a view to enhancing their and the country's quality of life by creating and providing jobs and generating revenue.

(<http://www.womenentrepreneurship.org/>)

Women-owned businesses are increasing considerably in the economies of almost all countries. The hidden entrepreneurial potential of women is increasingly being enhanced and realised with the growing social sensitivity to the role and economic status of women.

<http://www.articlesbase.com/entrepreneurship-articles/women-as-entrepreneurs-in-india-212759.html>);(<http://gautamghosh.net/2008/06/22/women-entrepreneurship-in-india/>)

In the developed countries like the USA, Canada and France, women own 25 per cent. of all businesses, and one-third and one-fifth of the small businesses respectively. In the UK, the strength of the self-employed women has increased to three times the strength of their male counterparts. Women in business are a recent phenomenon in India. By and large, they have to engage themselves in petty business and tiny cottage industries. In India, they account for only 5.2% of the self-employed persons and a majority of them are engaged in agriculture, handicrafts, handlooms and cottage- based industries.

[http://www.niir.org/books/book/zb,,1b_a_28_0_3e8/Opportunities+for+Women+Entrepreneurship+\(with+Project+Profiles\)+2nd+Edition/index.html](http://www.niir.org/books/book/zb,,1b_a_28_0_3e8/Opportunities+for+Women+Entrepreneurship+(with+Project+Profiles)+2nd+Edition/index.html)

Schools can play an effective role in developing entrepreneurial attitudes among the girl students from an early age, which gets reinforced in the minds of interested and enterprising women later on when they undergo some well-designed entrepreneurship development programmes.

Women Entrepreneurship – The Institutional Support

In an attempt to respond to the problems faced by women entrepreneurs in India, the Government of India launched a scheme in 1998, i.e., *Trade Related Entrepreneurship Assistance and Development of Women (TREAD)*, focusing on the development of micro/tiny women enterprises both in the urban and rural areas, the main objective being empowering women by helping develop their entrepreneurial skills and reducing/eliminating the constraints faced by them in their fields of activities. The said scheme was revised in May, 2004. The scheme, to be implemented by the Small Industries Development Organisation (SIDO), intends to help in market development, provide for financial support for creation of entrepreneurship development training facility and financial loans through NGOs, and capacity-building grants for self-employment ventures by women in case of any kind of non-farm activity. Capacity building of the entrepreneurship development institutions like the National Institute for Small Industry Extension & Training (NISIET), Small Industries Service Institutes (SISI), State level EDIs, etc., by providing financial support in the form of Government of India grant, is also one of the major objectives of the said scheme. (http://www.indianmba.com/Faculty_Column/FC515/fc515.html)

In India, the Ministry of Industry has established the Small Industries' Institute that has facilities in all the major cities where women can get training on manufacturing agricultural products, jewellery, and other products. (http://www.cipe.org/publications/ert/e24/E24_04.pdf)

Availability of finance and other facilities (e.g., industrial sheds and land) for women entrepreneurs is very often constrained by certain restrictions. Funding becomes a major problem for the activities in which the women entrepreneurs are mainly involved. Again, the benefits of some very positive schemes like Integrated Rural Development Programme (IRDP) and the Prime Minister's Rozgar Yojana (PMRY) can be availed of only by persons (including women) belonging to the very low income groups. That apart, the banks, through which these schemes are operated, are reluctant to extend trade-related finance to small entrepreneurs because of associated risks and operational costs. The SFCs and other financial institutions are also not in a position to provide purely trade- related finance not linked to asset creation. The role of women's development organisations is still not very much encouraging in this respect though there is a substantial presence of women in small trade. Therefore, in such situations, women are forced to go for very expensive informal channels. Any

serious move to make banks and other financial institutions enter this area is likely to benefit women entrepreneurs.

<http://www.indiatogether.org/women/business/renuka.htm>

In this connection, mention can be made about the role of the Small Industries development Bank of India (SIDBI) and state-level banks which require that the women entrepreneurs raise a small percentage of the capital (say just 10%) and can obtain financing for the remaining 90%. The only limitation is that this kind of credit can be given only to very small businesses. The commercial banks have failed to provide concessional interest rates to women-owned businesses. The Government of India has defined a women-owned business as an enterprise where women own at least 51% of the capital and at least 51% of the employment is generated in that enterprise for women. Again, the government has defined a small-scale enterprise as one having a capital of up to 10 million rupees which is definitely much more than the capital of most of the small enterprises, thus mostly depriving them of the credit facilities offered by the commercial banks in general. Therefore, though the women in medium and large enterprises do not have that much of problem in obtaining commercial credit, women in the cottage, micro and small-scale enterprises will continue to face financing problems.

http://www.cipe.org/publications/ert/e24/E24_04.pdf

Indian Women Entrepreneurs – The Problems Faced

Some of the major problems faced by the Indian women entrepreneurs in general requiring serious long-term attention have been briefly touched upon below.

1. The greatest obstacle before them is that they are women in still a largely male- dominated society and their ventures in many cases are perceived by many male members of the society as risky and non-starter and looked upon with scepticism.
2. The banks, financial institutions and informal lending groups are still bit sceptical about their entrepreneurial abilities and consider them as the higher risk category in terms of their ability to repay loan and ask for unreasonable securities for giving loan to women entrepreneurs and many a times discriminate them despite the evidence that women's loan repayment rates are higher than that of men's.
3. Most of the actual and potential women entrepreneurs in the developing countries and LDCs have very little access to financial resources including working capital simply because they are concentrated in poor rural communities with little opportunities to borrow money from external sources coupled with their inability to provide tangible security.
4. Their pressing family obligations, in terms of their primary responsibility for children, home and older dependent family members, also come in a big way to become successful entrepreneurs by devoting all their time and energies to their business, particularly in the developing countries and LDCs. The formal and informal fund-providers largely discourage them, the assumption being that they can leave their business at any time and take up their household responsibilities fully again, thus forcing them to rely only on their own savings and loan from relatives and friends.
5. The fact remains that the average Indian women still consider, perhaps rightly so, that family ties and relationships as more important. Women, particularly married ones, need to make a delicate balance between family and business, the success of which also largely depends on the effective support from the family members. Most of the time, family interests come in direct conflict with their entrepreneurial role.
6. Sometimes, because of inadequate management skills of a majority of them, there is no other alternative before them but to depend on others for getting things done, particularly the marketing activities relating to business which require confidence and mobility in dealing with the external world and the women in general find that difficult given their social conditioning and their over-

dependence on the male members of the family continues to be there even when they otherwise formally own and control an enterprise.

7. Though the women entrepreneurs are usually found to deliver service promptly, sometimes their inadequate organisational skills, as compared to their male counterparts, create constraints and make them less competitive. Some genuine problems relating to mobility with respect to time and place and related attitudinal barriers also make them less competitive as compared to the male counterparts.

8. Sometimes lack of adequate information regarding availability and alternative sources of the required inputs and price discounts and inadequate negotiation and bargaining skills affect their business ventures.

9. Low educational level (including literacy level), lack of or inadequate skills, know how and knowledge of and access to relevant technology(ies) and the changes therein, largely affect business performance of most of them as compared to their male counterparts.

10. Whereas risk-taking attitude to some extent is a must for any business venture, inadequate confidence and independence consequent upon low level of education and relevant training and social conditioning come in the way to becoming successful entrepreneurs in case of most of them and usually their level of achievement motivation is found to be low as compared to their male counterparts.

Developing Women Entrepreneurs – The Action Plan

Women, right from the young age, should be encouraged to participate in decision-making in all spheres of life. Training for developing entrepreneurial attitudes in girls should start even at the school level through well-designed courses and confidence-building activities on a regular basis.

1. In all entrepreneurial developmental programmes, women should be made a specific target group.
2. Government should take greater initiative for creating meaningful educational and need-based, tailor-made training (including vocational training) facilities for acquiring different types of managerial (including leadership, negotiation, financial and marketing) skills in actual and potential women entrepreneurs, design more and specific developmental schemes to motivate them to engage in small/medium/ large-scale business ventures, and provide necessary marketing support to them.
3. Banks, SFCs and other financial institutions should provide purely trade-related finance (including working capital) to the women entrepreneurs, particularly in the small-scale sector. Provision should be made for micro credit and enterprise credit to the women entrepreneurs at the local level. Women's development corporations should have access to open-ended financing. Programmes should be organised for the financiers with a view to reducing deep-rooted gender bias in most of them and helping them learn to treat women with respect.
4. Women's polytechnics and ITIs throughout the country need to be upgraded and specialised institutions should be set up keeping in mind the imperative of women entrepreneurship development in India.
5. Sustained training and counselling through experts (including specialised NGOs) should be provided for positive behaviour modification given their deep-rooted social conditioning in a largely male-dominated society with a view to enhancing confidence, independence and social mobility.
6. State-run agencies should provide them with infrastructural facilities in the form of industrial plots/sheds for setting up industries and the industrial estates should provide marketing outlets for the display and sale of their products.
7. A state-level Women Entrepreneurs' Guidance Cell should be set up to counsel and handle the problems of functioning and potential women entrepreneurs. DICs and single-window

agencies should be made use of for rendering assistance and providing trade-and business-related guidance to the women entrepreneurs on a regular basis.

In order to effectively support the process of developing the functional and potential women entrepreneurs, academic and professional initiatives are necessary to:

- appreciate the gender differences in entrepreneurial characteristics
- identify the problems unique to women entrepreneurs in setting up and managing their enterprises
- construct state-level profiles of women entrepreneurs and their enterprises containing relevant information on investment, employment and income and their sector-wise distribution
- document the existing policies, programmes, institutional networks and support agencies *vis-à-vis* women entrepreneurship.

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