

Women Entrepreneurship & Economic Development: A Relational Exploration

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Abstract

Growth has both financial and social dimensions and is partial without the improvement of women who constitute about fifty percent of the general populace. It miles a general notion that women as a mother, wife, daughter, daughter-in-law and as many more characters in their life have to bear numerous responsibilities of their families. Women have broken four walls around them build by their family members and society and enter into a new world where they have their own identity. Now women have started taking part in the construction of the new world, having more potential, possibilities and opportunities. Strengthening women entrepreneurs is an essence of achieving the non-stop and sustainable economic improvement of the country. By the time, the world comprehended that growth of any economy cannot reach its par without the energetic participation of the women in shaping the state. Women entrepreneurs face social, financial, organizational, mental and diverse other issues whilst running their venture. Aside from all the restrains, Indian women move onward and are cherished for their achievements of their respective area. The objective of this paper is to become aware of the problems and difficulties that women face in the direction of their entrepreneurship.

Keywords: Women Entrepreneurship, Economic growth, Contribution, Problems, Challenges.

Introduction

“Women perform 66 percent of the world's work, produce 50 percent of the food, but earn 10 percent of the income and own 1 percent of the property” (World Bank 2011).

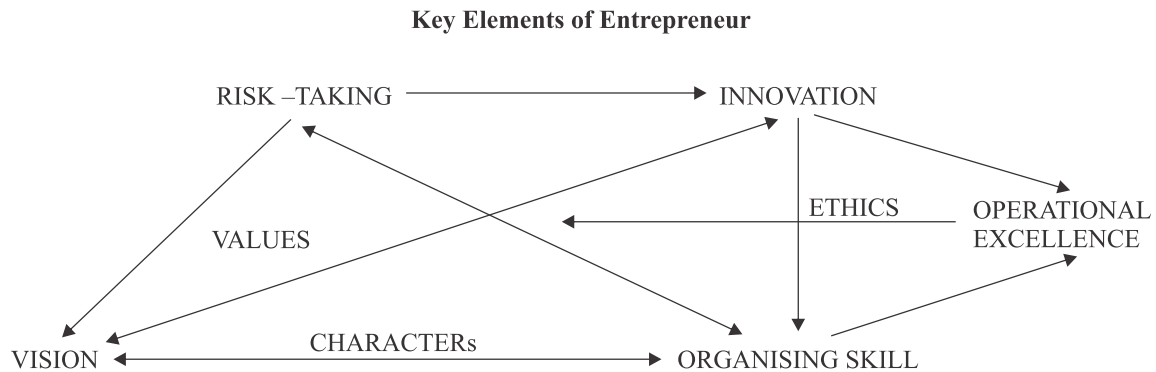
The word Entrepreneur was derived in the 17th century from the French word “ENTREPRENDRE” which means to undertake. Entrepreneurship referred as the prudent idea for

business world (Scott,1986). Therefore, not only for globalization entrepreneurship is a crucial element, but also for sparking vigorous opportunities (Mitra, 2002).

The history revealed that entrepreneurs have made momentous contributions to the economic development of any country. They involved in each and every aspect of the enterprise which proved to be the key for the economic growth of different countries (S. Mohan, 2006).

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Source : Vasant Desai, “Dynamics of Entrepreneurial Development & Management”

Entrepreneurship is not limited to one particular gender now. Women realized that they have to work side by side with men for their own identity (Marlow, 2002). Undoubtedly, women have to confront greater challenges to enter into entrepreneurship and to achieve success (Allen and Truman, 1993).

In India, women entrepreneurship is a new concept and has its inception in the beginning of 1980s (Amlathe and Mehrotra, 2017). Any organization initiated and operated by a woman or women referred as women entrepreneurship.

For the past years, women entrepreneurs have started involving significantly in the financial, social and political progress of the country as an outcome of the increased industrialization, education and awareness. This opens up ample opportunities for the nation, society and the family. Setting up their own ventures not only makes them self-sufficient and self-dependent but also enables them to create their own social identity. This way they have been able to achieve work-life balance and contributed to the satisfaction of their customers by involving themselves in the innovation of the products also they have been able to empower people economically.

Even though women are half of the total world's

population, but their engagement in the domain of entrepreneurship is non remarkable (Mathur, 2011). But steadily women work participation in different countries has been increasing, accompanied with the globalization of the world.

Indeed of the fact that, as a result of women empowerment, the figure of female entrepreneurs is increasing but the rate of women entering into entrepreneurship is still not encouraging. Even now the data of male entrepreneurs are almost double than women entrepreneurs (Acs et al., 2004; Gupta et al., 2014). The Global Entrepreneurship Monitor (GEM) conducted a survey in more than seventy countries of the world and found that the proportion of women entrepreneurship is low to that of male entrepreneurship (Kwong et al., 2009; Langowitz and Minniti, 2007; Minniti et al., 2005).

Women entrepreneurs play an enormous role in creating new employment opportunities & in sustainable growth of the country. Thus, women must be motivated to enter into the entrepreneurial field and simultaneously they should be trained properly with the required skills and traits so that they could meet all the challenges that might come in their entrepreneurial path.

REVIEW OF LITERATURE

Richard Cantillon (1931) defined “The term entrepreneur as an individual who organizes or operates a business or businesses.”

According to **Joseph A. Schumpeter (1934)** “The entrepreneur in an advanced economy is an individual who introduces something new in the economy – a method of production not yet tested by experience in the branch of manufacturer concerned, a product with which consumers are not yet familiar, a new source of raw material or of new markets and the like.”

In the view of **B. Higgins (1957)** “Entrepreneurship is meant the function of seeking investment and production opportunity, organizing an enterprise to undertake a new production process, raising capital, hiring labor, arranging the supply of raw materials, finding sites, introducing a new technique, discovering new sources of raw materials and selecting top managers for day to day operations of the enterprise.”

Arthur H. Cole (1959) said “Entrepreneurship is the purposeful activity of an individual or a group of associated individuals undertaken to initiate, maintain and aggrandize profit by production or distribution of economic goods and services.”

According to **Donald F. Kuratko (1997)**, an entrepreneur is “An individual who bears the risk of operating a business in the face of uncertainty about the future conditions.”

Oxford Dictionary, in its 2005th edition, defined an entrepreneur as, “A person who sets up a business or businesses, taking on financial risks in the hope of profit.”

Drucker's (2006) viewed an Entrepreneur as “one who always searches for change, responds to it and

exploits it as an opportunity. Innovation is the specific tool of entrepreneurs, the means by which they exploit changes as an opportunity for a different business or different service.”

In the year **1988**, the **Government of India** defined women entrepreneurship as, “an enterprise owned and controlled by woman having a minimum financial interest of 51% of the capital and giving at least 51% employment generated to women.”

Thus, it can be concluded that, woman entrepreneurship is undertaking business activity by a woman where she not just owns, allocates resources and manages the affairs of the business but also bears the outcome arising out of the pursuit.

OBJECTIVE OF THE STUDY

1. To explore the contribution of women entrepreneurship in the development of an economy.
2. To analyze the hurdles in the path of women entrepreneurship.
3. To examine the problems confronted by women entrepreneurs in India.

WOMEN ENTREPRENEURSHIP IN INDIA

The ILO reports that the concept of women entrepreneurship is a 1980's phenomena (**ILO, 2006**). Only 14% of the businesses are operated by women in India though they compose almost half of the population (**Sixth Economic Census, 2016**). In the past few years, it has been conceded that women are the most unexploited resource vital for the economic progress of any country. Women entrepreneurs use idle resources & funds and generate new employment opportunities.

Indian women are performing dual responsibility

and trying to establish a balance between their personal life and workplace. Rizvi and Gupta (2009), in their study found that government is running a lot of beneficial programmes for the women entrepreneurs but only a small section of women are able to gain that benefit. The reason may be unawareness, lack of information and family support. Women entrepreneurs often face hurdles to start and operate their own ventures like biasness on the basis of gender, domination of social and cultural values, security and safety issues, limited mobility, inadequacy of information etc.

CONTRIBUTION OF WOMEN ENTREPRENEURSHIP IN ECONOMIC GROWTH

India is a country which has abundant of natural and technological resources. But availability of these resources does not necessitate the growth of any economy. For the economic development of any country, it is essential that the procurable resources are utilized optimally in the right direction. Here comes the importance of entrepreneurship. Entrepreneurs exploit the resources in their enterprises which drive the economic growth of the country. Therefore, entrepreneurial awareness is an urgent need for any country.

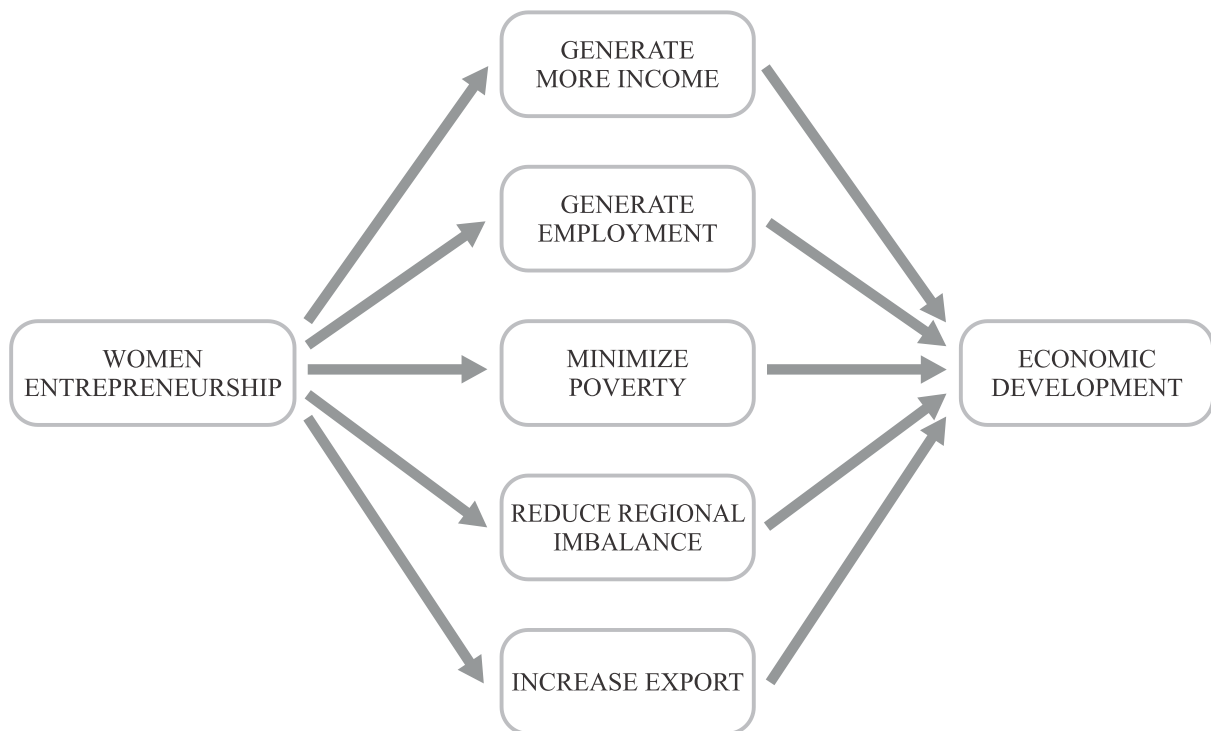
Economic development of the country is accompanied by its entrepreneurial activities. Since, entrepreneurs wisely utilize the resources of the country for the benefit of their enterprise as well as for the country, entrepreneurship generates more income, create more employment opportunities,

helps in reducing poverty, helps in maintaining regional imbalance by operating enterprises in both urban and rural areas. Through entrepreneurship, any country can produce more and more goods which reduces its dependency on the other countries and induces export of its own goods to other countries.

Both men and women enjoy the right of equality, hence they have equal right on the opportunities and resources of the country (Dhameja, 2004). The economic growth requires an increased supply of women entrepreneurs.

Women entrepreneurship in India is playing a principal role in creating employment. By starting up a small scale enterprise, they offer jobs to the people. Through entrepreneurial activities, women are mobilizing the idle funds in various industries and leads to the capital formation and thus optimum utilization of natural resources. Capital formation accelerates the economic growth.

In addition, women entrepreneurs help in the development of rural and backward areas as most of the time they start their businesses in such areas. Government also provide subsidies to women entrepreneurs to start their ventures in these backward areas. Women entrepreneurs exploit the various factors of production like land, labour and capital to produce unlimited varieties of products. The availability of products reduces the dependency of the country on other nations for those products. Moreover, it improves the export power of the country and brings foreign currency in the country.



PROBLEMS OF WOMEN ENTREPRENEURS IN INDIA

In India, women face various difficulties in the path of entrepreneurship. Social barriers, cultural barriers, gender discrimination, lack of motivation, lack of recognition etc. In India, women give priority to their family over their career (Mathur 2011 and Singh N.P 1986). Lall & Sahai (2008), conducted a research on the issues and problems of the women entrepreneurship. They identified that in spite of the increased rate of women's participation in the entrepreneurship; still women have to face economic, social and operational constraints in carrying their business. Rajani & Sarada (2008), on the basis of their study concluded that women need encouragement from their family, society as well as from the government organizations to move ahead on the path of entrepreneurship. Government should take required steps to provide financial supports to women entrepreneurs.

The other problems tackled by women entrepreneurs comprise fulfillment of required formalities; delay in machinery supply; delay in getting power connection; lack of adequate finance; discrimination against women in granting loans; lower access to external funds; biased assessment about their ability to repay loans; shortage of working capital; shortage of funds for expansion; shortage of raw materials; shortage of skilled man power; marketing problems; inadequate demand for the product; warehouse problems; transport problems; unavailability of modern technology; management problems etc.

Women encounter numerous troubles at various stages of its entrepreneurial journey from incorporation to operation of its enterprise. Based on the studies, the various hurdles women are facing in their entrepreneurial ways are as follows:

Limited Finance: Finance is the blood of any enterprise. Without finance one cannot think of starting or running a business. Shortage of finance is the most crucial problem faced by the women

entrepreneurs. Indian family has a general thought that women are not made for businesses. That's why businesses headed by women face problems in getting financial aid from their own family. Women do not usually own property in their name which they can use as a security in getting loans from the banks. Bank and other financial institution are reluctant to give financial aid to women entrepreneurs as they consider women less credit worthy. The previous studies revealed that women entrepreneurs face problems in obtaining financial aid for their enterprise.

Lack of experience: Experience is an important element in entrepreneurial activity. According to Delmar and Holmquist (2004), women fail to perceive and exploit the available opportunities in the market due to lack of experience.

Scarcity of raw materials: Women face the problems of scarcity of necessary raw-materials as like men they do not develop a sound relationship with the suppliers. They get the raw materials at high prices at minimum discount rates.

Tough competition: Women entrepreneurs do not have enough time and finance to promote and advertise for their enterprise. They have to face tough competition from their male competitors to survive in the market.

Mobility: Mobility of women in India is highly restricted. They cannot travel frequently from place to another due to their own personal responsibilities towards their family. She has limited time to work which hampers their entrepreneurial activities.

Family responsibilities: In India, the major role of women is considered to be a home maker. They have to take care of their family first. Their career is considered to be a secondary thing which they may

opt along with the priority of their family responsibilities. Running an enterprise demands proper time and attention, which is a complex task for women. However, now the support of husband and other family members facilitate women to proceed unexpectedly in the field of entrepreneurship.

Lack of time: Due to dual responsibilities carried by women, they have insufficient time for their enterprise. Lack of time averts them to fully indulge in the entrepreneurial activities.

Lack of education: Illiteracy among women is the major problem in India. Generally women do not acquire any formal education while entering into entrepreneurship which leads to various day-to-day business operational issues like problems faced during record keeping, account management etc.

Male dominated society: Indian society is a male dominated society and still women are considered weaker than men. Various wrong predictions persist about women's capabilities and competencies.

Lesser risk bearing attitude: Women tend to take lower risks because they fear more about the negative consequences. Literature also revealed that women entrepreneurs bear fewer risks than male entrepreneurs. (Yordanova and Alexandrova-Boshnakova, 2011). Their tendency to taking limited risk restricts them to get the benefit of the ample opportunities available in the market.

Lack of self-confidence: One major problem that women are bearing is lack of self-confidence, will-power, optimism etc. They fear of mistakes which resist them to take risks for the operation and expansion of their enterprise.

Outdated social outlook: One of the prominent causes for the failure of women in the field of entrepreneurship is the attitude of society towards their modern business prospects. Women have low risk taking ability because of the number of questions put forward by the orthodox society people.

Stereotypical attitudes: Stereotypical attitude of women is one of the dominant factors that restricts them to enter in entrepreneurial field. Women counter stereotypical attitudes on a daily basis while their contacts with banks, clients, suppliers etc.

OBSTACLES FACED BY WOMEN ENTREPRENEURS

Even though there are many contributions to be recognized, a number of suppressions of female entrepreneurship have been identified. Bowen & Hisrich (1986) found that women entrepreneurs are well educated but they do not have proper management skills and generally they likely to have entrepreneurial fathers. Kuratko and Hodgetts (1995) observed lack of experience and expertise as a major obstacle in the way of women entrepreneurship.

According to Kantor (2001) women entrepreneurs often experience greater constraints in comparison to men. Tambunan (2009) carried out a study on women entrepreneurs in small and medium enterprises in some Asian developing countries. The study found that undoubtedly the number of women entrepreneur is growing in all sectors and gaining importance but in comparison to the developed countries the rate is lower due to various reasons like lack of education, lack of finance and social & religious barriers.

Women entrepreneurs face various challenges like lack of access to finance, unawareness of

technology, government rules and regulations, lack of infrastructure etc. (United Nations, 2006). According to Mayoux (2001), there are certain limitations exist with the women entrepreneurs which proved to be hurdle in their way of successful entrepreneurship like incapability of financial management, lack of capacity to tackle sales and marketing problems, absence of experience, insufficient social networks, etc.

Ganesan (2003), revealed the fact that the data of women entrepreneurship in India are false. Most of the women registered as the entrepreneurs of the enterprise; do not actually run the enterprise. The enterprises are either run by their husbands or other family members. Kutanis and Bayraktaroglu (2003) found that women took many years to develop self confidence into them if they are pushed into entrepreneurship.

Gould and Perzen (1990) divided women who enter into the entrepreneurship into two categories. First is 'better-off women' and second is 'low-income women'. According to them, 'better-off women' entrepreneurs encounter problems like lack of self- confidence, limited social networks, incompetency in handling competition, misperception of market risk, limited finance etc. On the contrary, 'low-income women' face problems like poverty, illiteracy, absence of managerial skill etc.

Yet all the problems will have equal gravity for all kinds of women entrepreneurs instead shall vary with capital, class, scale, sector, location, education and the likes. It is, therefore, important to appreciate the significance of respective factors to different sets of entrepreneurship, i.e.

$$WE = f(P_1, P_2, P_3, \dots, P_n)$$

$$WE = A_E + A_1P_1 + A_2P_2 + \dots + A_nP_n$$

A_E is the relationship constant and A_1, \dots, A_n are the constants of different factors determining problems of women entrepreneurship.

Research Methodology

This is a conceptual paper. The study is based on the secondary data collected by the researcher from various journals, research articles related to women entrepreneurship, books, websites, etc. and all the information hence collected is resultantly accumulated and converted into a conceptual paper by the researcher.

Conclusion

Entrepreneurship is an impelling force for economic development in our country. The involvement of women into entrepreneurship contributes substantially in the development of a country. Increased participation of women in entrepreneurship reflects the economic and social transformation of the country.

Women entrepreneurs in India counter many challenges to survive in a field which is dominant by men. They have to face economic barriers along with social barriers prevalent in the society. Lack of management and technical skills make it more difficult for them to begin their entrepreneurial ventures. However, inspite of a lot of difficulties, women have proven their ability.

The speed of growth of nation can be curtailed if women are not motivated to start their own enterprises. Therefore, it is necessary to make a constant endeavour to encourage women entrepreneurs. There should be proper guidance for women throughout the entrepreneurial activity and training programmes should be scheduled for the women entrepreneurs by the government. All the policies made by the government should be properly coordinated to promote women

entrepreneurship which should be followed by the systematic and continuous evaluation to ascertain the effect of related policies on women entrepreneurship.

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