

Women Entrepreneurs in India: Combating with the Gender Bias

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Abstract

In developed countries women actively participate in business and other activities without any social and other restrictions. However, in a developing country like India, the situation is different for women. Women are generally perceived as home makers with little to do with economy or commerce. The present study aims to look into how the notion is changing over time with more number of women coming forth to the business arena with ideas to start small and medium enterprises. They consider entrepreneurship to be rewarding and regard it as an alternative to limited options to career advancement. At the same time it also draws attention to the fact that transition from homemaker to sophisticated business women is not an easy task as women are continuously discriminated against. Women entrepreneurs not only contribute to improving their own economic welfare but add to the economic and social fabric of society through job creation, innovative products, processes and services. Thus, they act as an important human resource of the nation and can be utilized as mediators of economic growth and development. The study emphasizes that the country should recognize the need for women to be part of the mainstream economic development and help to promote a more enabling environment for women's entrepreneurship.

Key words: Women's entrepreneurship, economic development, job creation.

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Introduction

Despite the fact that women are catching up with men in every sphere of life, gender disparities in women's economic participation is persistent in India. Women must overcome additional barriers to have equitable access to the labour market, to have control over economic resources and entrepreneurial opportunities. In developed countries women actively participate in business and other activities without much restriction. However, in a developing country like India, there are many social and cultural restrictions on women due to which they fail to get the necessary exposure. They are generally perceived as home

makers with little to do with economy or commerce. Hence, participation of women in entrepreneurial activities or their inclusion in the business world is very low. Time has come when women in India have realized the need to step out of the house and is desperate to give vent to their creativity by exploring new avenues of economic participation. The entry of women in organized business to integrate themselves with the mainstream of economic development is fairly a recent phenomenon. Mere entrepreneurial aspirations to initiate, organize and operate a business enterprise are not enough for the transition of woman from a dedicated homemaker to a sophisticated business woman. It is not an easy

task for a woman to break the traditions, overcome the socio-cultural mindsets and establish herself in the business world. The micro, medium and small enterprises MSMEs are considered to be an engine of growth in a developing economy like India. Today with the growth of (MSMEs), many women have plunged into entrepreneurship. The present study aims to review the situation pertaining to women entrepreneurs in India in the context of MSMEs.

Literature review

Majority of the studies relevant to the present study have identified the factors that motivated entry of female in business in specific regions and also pointed to various challenges faced by female entrepreneurs. Few studies also discussed how the conditions were different in a developed country and a developing country.

Ufuk&Ozgen (2001) observed that being an entrepreneur had a negative impact on their family life but a positive effect on their social, economic, and individual lives. While Mathivanan and Selvakumar (2008) was in favour of women to undertake the business freely; Nelasco (2008) opined that women who venture into entrepreneurial activity must be extraordinarily motivated and determined enough to carry forward a creative idea on their own.

Singh, (2008), Wadhwa& Mitchell, (2010) identified the factors encouraging women to become entrepreneurs. Dilipkumar (2006) and Khanka (2010) reported that Indian women have started becoming entrepreneurs in sizeable numbers only recently, partly due to the formation of various self-help groups (SHGs), support from NGOs, higher levels of education and economic liberalisation.

Chinonye Okafor, Roy Amalu (2012) revealed that

positive relationship exists between motivational factors and women entrepreneurial challenges. Jayan (2013) also identified achievement, motivation and human relation as the important factors which inspire women to become successful entrepreneurs.

Tambunan (2009), Singh and Raina (2013) discussed recent developments of women entrepreneurs in small and medium enterprises across Asian developing countries and modern India respectively.

Research Gap

The study contributes to the existing literature by identifying the gender differentiating factors in development of entrepreneurship in India. Unlike the previous ones it emphasizes on how the women entrepreneurs really contribute to economic development of the economy.

Research objective (s)

- (i) To analyze the growth of women entrepreneurs in India over the plan period.
- (ii) To analyze the present status of women entrepreneurs in India and discuss the challenges faced by them in the context of the MSMEs.

Data and Methodology

The study is based on secondary data from the ministry of MSMEs, Government of India and report by International Finance Corporation or IFC, a wing of the World Bank. The study covers generally the post-liberalisation period, 1990-91 to 2017-18 to capture the growth of women entrepreneurs in India; but, it explores the state of the women entrepreneurs only in the recent years.

Concept of a women entrepreneur

The word entrepreneur is derived from the French verb "entreprendre" that means "to undertake". In the early nineteenth century French economist, Jean Baptiste Say coined the term entrepreneur. He defined an entrepreneur who shifts economic resources from an area of low productivity into an area of higher productivity and greater yield. Schumpeter (1934) described the entrepreneur as the innovator who introduces something new into an economy". Samwel (2003) viewed women entrepreneurship as a function which seeks investment and production process by raising capital, arranging labour and raw materials, finding site, introducing new techniques and commodities and discovering new sources for the enterprises.

Growth of women entrepreneurs in India

Women entrepreneurship in India is traced back to late 1970s. But, the number of women entrepreneurs during that period was miserably low. It is only the post-liberalization period that witnessed a rapid increase in the growth of women entrepreneurs in India. However it is difficult to classify them only as potential entrepreneurs or women who have attitudes, education, skill, interests, and experiences to start a business. The growth of women entrepreneurs in India is represented along with the perspectives on the advancement of women through the five-year plans.

The first five year plan was mainly welfare oriented as far as women issues are concerned. This was followed by second five year plan which aimed at organizing women's groups at the grass root level to ensure better implementation of welfare schemes. The third, fourth fifth and other interim plans accorded high priority to women's education. In sixties women started entrepreneurial activities as one woman enterprise from home and then moved out for self-occupation and engagement. In

the seventies, entrepreneurship for women can be traced out as an extension of kitchen activities mainly pickles, powder and pappads. The sixth plan is regarded as landmark in women's development. The plan adopted a three pronged thrust on health, education and employment of women. It is from this plan onwards that women tried their luck as entrepreneurs in the true sense, though the necessary skills and experiences were missing. The seventh plan was basically a continuation of the formulation of policies and programmes and introduction of new schemes and incentives for women with the objective to raise their social and economic status and bring them to the mainstream of national development. The sixth and seventh plan together i.e the 80's as a whole adopted a multidisciplinary approach for the development of women entrepreneurs. Women entrepreneurs were given top priority for implementation of programmes under agriculture and allied activities of dairy farming, animal husbandry, poultry, handicrafts, handlooms and small scale industries. The eight five year plan which concentrated mainly on human resource development, attempted to ensure that benefits of development did not bypass women. The benefits to women in the three core sectors, health, education and employment were monitored carefully. Women were enabled to function and participate as equal partners in the development process as it was considered by the Government and policy makers as a necessity to harness the full potential of a country's human capital. Thus, the eight plan marked a definite shift from development to empowerment of women. During this time onwards i.e early 1990s, women in India was desperately after economic independence. They were already exhausted with the drudgery of household work and playing a second role to their husband. They were keen on establishing their own identity by taking their ideas to the market. Given the limitations to career advancement, they considered self employment as the best alternative

to empower themselves. They preferred to be their own boss and at the same time also had a desire for better work-personal balance. Indian women also felt that entrepreneurship would be more financially rewarding and thus more and more number of women were coming forth to the business arena to start up small and medium enterprises. Development in the field of women entrepreneurship in India reflected a rising trend during the sixth, seventh, eighth and ninth plan. This was in tune with the accelerated growth of the service sector in India. The tenth plan tried to ensure requisite access of women to information, resources and services and advance gender equality goals. The eleventh plan in a way was an extension of the tenth plan as it was formulated to undertake special measures for gender empowerment and equity. Initially women have been engaged in home-based small scale entrepreneurial activities like selling home-prepared food items, selling home-grown vegetables, milk vending, butter and ghee making, goat rearing, poultry farming, money-lending, selling textiles in the neighbourhood etc. In the era of liberalization, globalization and privatization, women are venturing into non-traditional sectors which can be attributed to greater awareness. The availability of computers and the increasing popularity of the internet in the 90's gave a much needed boost to women in business. This technology allowed them to be more prevalent in the business world and showcase their skills to their competitors. In the late '80s and throughout the '90s, there was more of a focus on networking opportunities in the world of female entrepreneurs. Despite all these advances, the female entrepreneurs still fell behind when compared to their male counterparts. Even still, India has seen a good number of successful women entrepreneurs. To name a few are Kiran Majumdar Shaw, MD of Biocon limited, Suchi Mukherjee, CEO of Limeroad, VandanaLuthra, founder of VLCC, FalguniNyar, Founder of Nykaa, UpasanaTaku,

Co-founder of Mobikwik. But what is disappointing is that with the added popularity of women in business, the availability of technology, the support from different organizations, the larger population of female entrepreneurs today are still struggling.

Present status of Women entrepreneurs in India

While there may not be many women occupying the executive offices in India, at present women in India fully or partially own around three million small enterprises across the country and the number is expanding. Their business includes everything from tea stalls, vegetable stands, hotels, laundries, cell phone shops or beauty parlours. These type of business are mainly associated with low investment, low technical know-how and assured market. Thus, majority of these women entrepreneurs are better labeled as “self employed” or necessity entrepreneurs. They have engaged in business activities to generate an income because other conditions are non-existent. Along with a large section of the self employed women existing in the economy, the number of promising women entrepreneurs in India is also on the rise. They are at the start up phase or with an existing business. They are creative, determined, have the ability to work hard and are capable of earning the maximum return from the invested capital. There are several evidences to the fact that Indian women are having a strong inclination towards entrepreneurship. According to a report by Economic Times, 25-35% women employees are at start up ventures, a number that is increasing over time. A 30 to 50% increase in the number of women in the management programmes who are looking towards starting their own business, improvement in the quality & quantity of proposals received from women entrepreneurs, although far away from the ideal also corroborate the recent trend. A programme called “10,000 Women Entrepreneurs Programme” was started by Goldman Sachs & ISB

to aid development of women entrepreneurs. Attendance was 1,300 pointing to the observable reality that there has been a sharp interest in entrepreneurship among women in India. Moreover, there has been a perceptible shift in the nature of business being set up by Indian women. They have moved out of kitchen related activities like making pappads and pickles and stepped into the service industry like ITES, architecture, etc thereby completely shattering the age old myth. But, the pertinent question is how comfortable are women when it comes to running such modern business.

Women entrepreneurs in India: Gender Perspective

In order to understand the actual status of the women entrepreneurs in India, their position is

examined in relation to their male counterparts. According to a data by Startup India, while only 13.76% of the total entrepreneurs in India are women which is close to merely 8 million as opposed to male entrepreneurs who just crossed the 50 million mark. In the 21st century, MSMEs are playing a crucial role in promoting growth, innovation and prosperity especially in developing countries. They are considered as the second largest source of employment after agriculture in India. With the growing recognition of women entrepreneurs' contribution to economic growth, there is a need to understand the state of their operations in India. To this end, the study compares the ownership of enterprises by gender, in the rural and urban areas, across segments i.e micro, small and medium enterprises, and concentration within different sectors.

Table1: Percentage Distribution of Enterprises by Gender of Owner and Rural & Urban Areas

Area	2013-2014		2017-18		Change	
	Female	Male	Female	Male	Female	Male
Rural	15.27	84.73	22.24	77.76	+ve	-ve
Urban	12.45	87.55	18.42	81.58	+ve	-ve

Source: MSME Annual report, 2013-14, 2017-18 Govt. of India

Table 2: Percentage Distribution of Enterprises by Gender of Owner and Segment

Segment	2013-2014		2017-18		Change	
	Female	Male	Female	Male	Female	Male
Micro	14.19	85.81	20.44	79.56	+ve	-ve
Small	5.06	94.94	5.26	94.74	+ve	-ve
Medium	4.21	95.79	2.67	97.33	-ve	+ve

Source: MSME Annual report, 2013-14, 2017-18 Govt. of India

Table 3: Percentage Distribution of enterprises by sector for Male and Female

Sector	Female	Male
Manufacturing	50	70
Services	41	13
Repairing & Maintenance	9	17

Source: MSME Annual report, 2013-14, Govt. of India

Despite, the fact that more than 70% of the female population believes that entrepreneurship is a good career with good status; the real scenario is very dismal. Only 15 percent of the total number of enterprises present in the rural areas was owned by women and rest 85 percent by men in 2013-14. The percentage of women owned enterprises increased to 22 percent and that of men owned enterprises decreased to 78 percent in 2017-18. There is no significant deviation of this pattern in the urban areas; although the percentage of female owned enterprises is relatively less in the urban areas than the rural areas. In case of male-owned enterprises the picture is just the opposite. Interestingly, the gender gap in terms of ownership of enterprises decreased consistently both in the rural and urban areas over the period 2013-14 to 2017-18. The decrease in gender gap was marginally higher in rural areas than urban areas. At a more disaggregated level, that is when compared across size of enterprises, it is observed that of all the registered micro and small enterprises existing in India, ownership by women increased from 2013-14 to 2017-18 in both the micro and small sector enterprises. But, within the same two sectors, the male owned enterprises went down during the same period. However, the scenario got reversed in case of medium sector enterprises where female owned enterprises reduced and that of male-owned enterprises went up. Out of the total unregistered units, 9.09% are owned by women. Thus, though male entrepreneurs continue to dominate in terms of ownership of enterprises in both the rural and urban areas and also across micro, small and medium segments; dominance has been more pronounced in the small and medium scale

enterprises. Moreover, most of the women owned micro enterprises, against men entrepreneurs who mainly owned medium enterprises. One reason why women entrepreneurs in India chose micro enterprises might be that they thought it would be easier for them to balance their business and family. An interesting feature of the women entrepreneurs is that highest percentages of them (in terms of unregistered units) are concentrated in the fastest growing service sector and in terms of registered units it is the manufacturing sector. In the service sector, the percentage of female owned enterprises even exceeds the percentage owned by male enterprises. Since economic growth in India is service driven; thus, women entrepreneurs are expected to contribute to this growth in a positive way. But, in modern India women entrepreneurs are still facing several obstacles which restrict them mainly to the micro enterprises and compel them to lag behind the male entrepreneurs. Thus, it is necessary to identify the factors that hinder their development.

Gender differentiated conditions affecting women entrepreneurship in India

Gender (GED I) or Gender Global Entrepreneurship and Development Index measures the development of high potential female entrepreneurship worldwide. Gender (GED I) ranks 137 countries on how they foster women entrepreneurship and India's rank is 69 on Global Entrepreneurship Index in 2018, which is indeed very low. Though India has moved up one place this year, it still continues to be a low performer as far as women entrepreneurship is concerned. There

is no denying that women entrepreneurs have come a long way, but, gender bias continues to exist. Women willing to start a business or devoted to growth of existing business are discriminated against at various stages. The most critical constraint being limited access to finance and cost of finance clubbed with others like access to education and training, legal and cultural barriers and infrastructure-related challenges.

Access to Finance:

Financing is almost always a challenge for MSMEs, however the difficulties are often intensified by gender-related factors, including women's lack of collateral, weak property rights and discriminatory regulations, laws and customs. Formal financing is an important requirement for women entrepreneurs as they have less personal capital to invest in their business. But, for formal financial transactions, possessing a bank account is a must. Surprisingly, only 28% of women in India hold formal bank accounts. So, many women entrepreneurs are forced to operate in a parallel economy, popularly known as the informal economy. In case of male entrepreneurs, 70% of their financing is met through formal lending institutions, whereas for female entrepreneurs it is only 24%. One reason is that around 78% of women-owned enterprises are in service sector, but, most bank lending is for manufacturing sector. Additionally, due to higher risk perception formal financial institutions are reluctant to lend to women entrepreneurs. Although 90% of microfinance clients in India are women, they serve the needs of tiny enterprises, and are not sufficient to grow a business or generate more employment.

Limited Access to Markets:

Unlike men, the gendered attitudes, socio-cultural norms and beliefs confine women to private domestic roles. The outcome is lack of access to

adequate training and experience to operate a business enterprise and hence the inability to market the goods and services effectively.

Restricted Legal rights:

Once a woman is married, there are restrictions on her access to property, employment and even mobility in public spaces. The controlled movement creates difficulty in gaining the confidence of her clients and suppliers and also poses restrictions in developing the necessary contacts required for sustaining the business. Also, she often fails to access sufficient market information about prices, inputs and competitors.

Education and Skill gap:

Education helps in developing knowledge, attitude, communication power and strong network which is essential to build up a standard business enterprise. Women often lack the combination of education, managerial and other entrepreneurial skills and work experience to support the development of highly productive business. Though women are striving hard to acquire higher education; however highly educated females owning business are less in number in India.

Informal sector-

Women entrepreneurship is largely confined to smaller firms, 90% of which are in the informal sector. Female ownership and employment also tend to be concentrated in less profitable and more competitive sectors such as food, garments and retail, while male ownership and employment tend to be in more profitable sectors such as materials and construction. This may be attributed to the own cognitive potentials of women entrepreneurs whose perceived competency is to choose such products which require less skills and hence restricts them either to the informal sector or be

informally engaged in the formal sector. Thus, along with infrastructural deficiencies, lack of training, financial policies or other supply side factors which act as strong barriers; there are certain demand side issues like personality traits, gender role attitudes which are detrimental for a women to emerge as prospective entrepreneur atleast in the Indian case.

Major findings:

The study reflects that women have immense potential in contributing to economic growth and development. Be it micro or small or medium scale operation, women have come forward to establish themselves as owners and/or manage them. However, achieving gender parity still seems to be a matter of distant future.

Women entrepreneurs in India have always been exploiting the opportunities. Thus, women as entrepreneurs play an important role in the employment generation for themselves as well as others, thereby supplementing their family income and reducing poverty.

With the setting up of small scale industries by them, women entrepreneurs are producing variety of goods on a large scale thereby facilitating in reduction of scarcity of essential commodities in the economy.

Women entrepreneurs in India could work as catalyst in alleviating regional disparities in economic development. They usually set up industries in backward areas to avail of the resources, concessions and subsidies offered by government and bring about balanced regional development. Despite their immense contribution; the full potential of women entrepreneurs still remains untapped. The root cause being the presence of gender bias in the society and their cognitive behaviour.

Conclusion

Women entrepreneurship assumes significance for its contribution to employment, poverty alleviation, social-cultural and economic development of nation. Unfortunately, tired fighting with the restraints created through gender inequality, majority of them remain at the subsistence phase operating in the informal sector of the economy. Thus, optimal utilization of women entrepreneurs as mediators of economic growth and development is hindered.

Recommendations

The contribution of women entrepreneurs to mainstream economic development in a significant way does not only depend on women. It is true that women in India needs to pursue higher education, develop necessary skills, be ready to undertake risks, gain self-confidence, have effective co-ordination, administration and control over business and finally possess leadership quality to emerge as potential entrepreneurs. At the same time, the government and society also have a vital role to play in producing an enabling environment for the growth of efficient and dynamic women entrepreneurs.

- Since MSME sector promotes female labor participation and economic growth significantly; lending to women-owned MSMEs as a distinct segment needs special attention.
- For women entrepreneurs to make the best use of the subsidies and programs meant for them, state governments should encourage and promote registration of women-owned MSMEs.
- Initiatives should be taken to promote awareness of existing schemes for women entrepreneurs.
- Non-financial services should be available to

support women entrepreneurs through the lifecycle of their businesses.

- Financial literacy programs and campaigns should be held for women focusing on entrepreneur development training.

Scope for future Research

The present study can be extended to include:

- an appraisal of the policies and schemes initiated by the government to promote women entrepreneurs in India.
- the aspect of inclusive growth and women entrepreneurs.

Limitations

The findings are based on secondary data and information obtained from extant literature on women entrepreneurship. The study could have been more enriching if secondary data would have been substantiated with primary data.

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