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# Women Entrepreneurship in India in Globalized Economy

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### ABSTRACT

Indian women have to go a long way to achieve equal rights and position because traditions are deep rooted in Indian society where the sociological set up has been a male dominated one. Despite all the social hurdles, Indian women stand tall from the rest of the crowd and are applauded for their achievements in their respective field. The transformation of social fabric of the Indian society, in terms of increased educational status of women and varied aspirations for better living, necessitated a change in the life style of Indian women. She has competed with man and successfully stood up with him in every walk of life and business is no exception for this. These women leaders are assertive, persuasive and willing to take risks, they managed to survive and succeed in this cut throat competition with their hard work, diligence and perseverance. Increasing numbers of women are becoming leaders of their own businesses, and many are struggling to achieve success. The present paper endeavors to study the concept of women entrepreneurs –reasons women become entrepreneurs –Reasons for slow progress of women entrepreneurs in India-suggestions for the growth of women entrepreneurs-schemes for promotion & development of women entrepreneurship in India.

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### Introduction

Entrepreneurs are essential drivers of innovation and progress. In today's competitive world many individuals start small business with an intension to earn profits and to achieve the goals in their business activity. Women entrepreneurs act similarly, tapping inspiration and creativity, courage and fortitude, to seize opportunities that challenge and forever change established. The Indian culture made them only subordinates and executors of the decisions made by other male members, in the basic family structure. While at least half the brainpower on earth belongs to women, women remain perhaps the world's most underutilized resource. The educated women do not want to limit their lives in the four walls of the house. They demand equal respect from their partners. However, Indian women have to go a long way to achieve equal rights and position because traditions are deep rooted in Indian society where the sociological set up has been a male dominated one. Women are considered as weaker sex and always made to depend on men folk in their family and outside, throughout their life. These women are assertive persuasive and willing to take risks. They managed to survive and succeed in this cut throat competition with their hard work, diligence and perseverance, ability to learn quickly her persuasiveness, open style of problem solving, willingness to take risks and chances, ability to motivate people, knowing how to win and lose gracefully are the strengths of the Indian women entrepreneurs. Despite all the social hurdles, India is brimming with the success stories of women.

### Objectives of the Study

1. To evaluate the factors responsible for encouraging women to become entrepreneurs
2. To study the impact of assistance by government on women's entrepreneurship.
3. To study the policies, programmer's institutional networks and the involvement of support agencies in promoting women's entrepreneurship.
4. To critically examine the problems faced by women entrepreneurs.

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### Need For The Study

- Women in business is considered in recent trends in India
- Employed to self-employment has been a noticeable phenomenon in the emergence of new women entrepreneurs.

### Review of Literature

Women's leadership in contexts of small business ownership can be argued to present different models of leadership style, values, and challenges than those developed by women in organizational leadership roles. Recent studies of women in business ownership (i.e. Business Development Bank of Canada, 1999; Industry Canada, 1999) suggest that these women business owner-leaders exercise a large degree of control over the vision and purpose of the enterprise, and often deliberately craft working environments and cultures that support their personal values and preferences. They can cultivate their own working relationships with greater freedom. They can seek as much challenge and take as much risk as they can personally manage. For some women, these freedoms come at a high cost of fears and insecurities, unpredictable workload and isolation (Canadian Advisory Council, 1991). In sum, small business ownership creates leadership issues for women that are different in kind than those shared by their sisters in senior management positions located in corporate or government settings. In the 1990's across North America, women increasingly have been entering ventures in self-employment. In the USA, by 1992 women already owned 27 percent of small businesses (National Women Business Owners (NFWBO), 1992).

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In Canada, this figure in 1996 was 40 percent (Industry Canada, 1999). Statistics collected in 1997-98 found that women were starting businesses in North America at two to five times the rate of men (National Foundation, 1999; Industry Canada, 1999) and that increasing numbers of these were home-based. There is also evidence of a trend of women in senior management leaving or wanting to leave their corporate positions to try business ownership (Catalyst, 1998; Sharp and Sharp, 1999). In the U.S. from 1987-99, women's businesses increased 103%, their sales grew 436% and their employee ranks swelled 320% (NFWBO, 1999a). Various estimates claim that by the year 2000, almost 50 percent of all new businesses in North America will have been started by women (Business Development Bank, 1999; Industry Canada, 1999; NFWBO, 1999a). World-wide, similar patterns are becoming evident. Women-owned businesses are increasing to comprise one-quarter to one-third of businesses in the formal economies of Brazil, Ecuador, Mexico, Australia, Ireland, Italy, England, Germany, France, and certain African countries, and women business owners of these countries share similar concerns, according to surveys conducted 1997-98 at international conferences by the National Foundation of Women Business Owners (1998).

A growing body of literature is emerging to study the phenomenon of women's leadership as small business owners along a wide variety of dimensions, drawing from perspectives ranging from market models of business economic development to women's psychological development and feminist studies of women's leadership. Qualitative studies in the past five years have indicated contested issues related to values, identity and the meaning of leadership emerging in this trend of women business ownership (Gay, 1997; Robertson, 1997; Thrasher and Smid, 1998). For example, women don't always accept the dominant formula that success equals money and power. Women who start their own business sometimes do so to craft a new way of working, and many continue to fight barriers related to traditional constructs of economic power and expectations. Many women business owners claim that the whole experience changes them profoundly.

Women's motives for starting and leading a business have been documented in many studies (Lee and Rogoff, 1997; NFWBO, 1999b) to help illuminate the desires and needs of women leaders who choose business ownership over organizational management positions. Women's reasons for business start-up reasons encompass a wide range: desiring greater work-life flexibility, seeking challenge, fulfilling a long-felt desire, or escaping an organizational glass ceiling. Management strategies often tend to be reported from statistical studies grounded in market models which examine women's business growth rates, business planning ability, and possession of management training against traditional expectations of small business management (i.e., Carlsrud and Olm, 1986; Fagenson and Marcus, 1991). While a few have drawn attention to the possibility that women's leadership approaches in small business are unique (Chell, Haworth, and Brearley, 1991), there is still little substantial research exploring this area. Value choices in leadership of women entrepreneurs, including women entrepreneurs' meanings of success and values respecting work, money, and family, is a theme emerging in some recent writings on women entrepreneurs that embraces many tensions and dilemmas.

Barriers and conflicts encountered by women business owners are sometimes studied from a feminist perspective which critiques the structural and ideological discrimination built in to

the existing economy and tacitly-agreed western models of business growth. Reports include isolation and gender-based discrimination of various kinds (Canadian Advisory Council, 1997), exclusion from male networks (Shragg, Yacuk, and Glass, 1992), and limited access to capital (Buttner, 1993). Work-family conflict experienced by women business owners has been a focus of recent studies.

### **Factors Motivating Women To Become To Become Entrepreneurs**

The glass ceilings are shattered and women are found indulged in every line of business. "Women entrepreneur" is a person who accepts challenging role to meet her personal needs and become economically independent. A strong desire to do something positive is an inbuilt quality of entrepreneurial women, who is capable of contributing values in both family and social life. The obstacles and opportunities provided to the women of digital era are growing rapidly that the job seekers are turning into job creators. But new talent pool of women entrepreneurs is forming today, as more women opt to leave corporate world to chart their own destinies. In order to find out the factors influencing the women to become entrepreneurs 18 attributes that can influence their decision were identified such as economic independence, dissatisfaction with existing job, unemployment, seeking challenge, self interest, self prestige, traditional/hereditary, employment opportunities, financial assistance, technical knowledge, encouragement from family members, use of idle funds, infrastructural facilities, entrepreneurial experience, market potentials, family members interest, social status and family background

### **Women Entrepreneurship in India**

Even as women are receiving education, they face the prospect of unemployment. In this background, self employment is regarded as a cure to generate income. The Planning commission as well as the Indian government recognizes the need for women to be part of the mainstream of economic development. Women entrepreneurship is seen as an effective strategy to solve the problems of rural and urban poverty. Traditionally, women in India have been generally found in low productive sectors such as agriculture and household activities. Human Development Report 2004 ranks India 103 in Gender related Development Index (GDI). As per 2001 census; women constitute nearly half of India's population. Out of this total, 72% were engaged in agriculture, 21.7% in other non agricultural pursuits with only 6.3% in household industries.

Women entrepreneurs in India are handicapped in the matter of organizing and running businesses on account of their generally low levels of skills and for want of support system. The transition from homemaker to sophisticated business woman is not that easy. But the trend is changing. Women across India are showing an interest to be economically independent. Women are coming forth to the business arena with ideas to start small and medium enterprises. They are willing to be inspired by role models- the experience of other women in the business arena. The role of women entrepreneurs is especially relevant in the situation of large scale unemployment that the country faces. The modern large scale industry cannot absorb much of labour as it is capital intensive. The small scale industry plays an important role absorbing around 80% of the employment.

The myth that women cannot engage in productive employment needs to be dispelled. They can be encouraged to set up small and medium scale industries on their own initiative. Entrepreneurship development for women is an important factor in economic development of India. Rural women can be

encouraged to start cottage industries. Rural based micro enterprises have been encouraged by the government by various schemes-such as Integrated Rural Development Program (IRDP), Training of Rural Youth for Self Employment (TRYSEM), and Development of Women and Children in Rural Areas (DW CRA). The aim is to remove poverty through entrepreneurial programs.

### Women Entrepreneurs in the Global Economy

As technology speeds up lives and the new millennium is now upon us, it is useful to take time to reflect on what will surely be one of the driving forces of the global economy of the 21st century. Women are an emerging economic force that policymakers cannot afford to ignore. However, governments and institutions promoting democratic values make a real difference in women's business organizations in newly emerging market democracies.

In the global economy of the 21st century, international trade will be a key source of economic growth and development. A recent survey conducted in several countries by the National Foundation of Women Business Owners (NFWBO) indicates that women-owned firms involved in the global marketplace. Women Entrepreneurs in the Global Economy have greater revenues, are more optimistic about their business prospects and are more focused on business expansion. Obviously, expanding into international trade can pay off for women-owned firms. However, it is not clear that smaller enterprises are benefiting from these potential as much as larger firms. Women's business associations can and should ensure that their members are equipped to reap the rewards of expanding into the international arena. Women must learn how to play the international trade game, and a global network of women's business associations can help them do that. Information technology can help identify markets, provide industry information and spotlight trends about what the role of women in national economies can be.

Today, women in advanced market economies own more than 30% of all businesses and women-owned businesses in Africa, Asia, Eastern Europe, and Latin America are growing rapidly. In some regions of the world, transformation to a market economy threatens to sharpen gender inequality. Some of these changes are simply the legacy of a gender imbalance that existed prior to political and economic reforms. Other changes reflect a return to traditional norms and values that relegated women to a secondary status.

### Reasons For Slow Progress Of Women Entrepreneurs In India

The problems and constraints experienced by women entrepreneurs have resulted in restricting the expansion of women entrepreneurship. The major barriers encountered by women entrepreneurs are

- The greatest deterrent to women entrepreneurs is that they are women.
- Male chauvinism is still prevalent in many part of the country yet. Women are looked upon as "abla" weak in all respects.
- Women entrepreneurs have to face a stiff competition.
- Lack of self-confidence, will power, strong mental outlook amongst women creates fear in their growth.
- Women in India lead a protected life.
- The old and outdated social outlook to stop women from entering in the field of entrepreneurship is one of the reasons for their failure.
- Women's family obligations also bar them from becoming successful entrepreneurs in developing nations
- Indian women give more emphasis to family ties and relationships.

- Women's family and personal obligations are sometimes a great barrier for succeeding in business career.
- The educational level and family background influences women participation.
- Many women take the training by attending the entrepreneurial development programme.
- High production cost of some business operations adversely affects the development of women entrepreneurs.
- Women controlled business are often small and not easy for women to access the information they need regarding technology, training, innovative schemes etc.
- Lack of awareness about the financial assistance.

Apart from the above discussed obstacles there may occur series of serious obstacles faced by women entrepreneurs as improper infrastructure facilities, high cost of production attitude of people of society towards the women modern business outlook, low needs, traditional socialization has all been cited as reasons for delayed entry into entrepreneurial careers

### Problems faced by women entrepreneurs

The individual woman entrepreneur single-handedly faces a plethora of seemingly endless problems.

1. Bank and other Financial Institutions do not consider Women Entrepreneurs as "Serious" applicants for setting up their projects and they are hesitant to provide financial assistance to unmarried women or girls taking into consideration that who will return the loan either parents or in-laws.
2. Attitude of Officers of Support System is not motivating and encouraging as they have the belief that setting up of business/industry is not the Women's cup of tea.
3. Financial Support System suffers from adhocism/unpredictable delays.
4. Moving in and around the Market, is again a tough job for Middle Class Women Entrepreneurs in India Social system.
5. Women cannot get Sales Tax number (Regd.) without a male partner. This again humiliates prospective Women Entrepreneurs.
6. The Security/ Surety and collateral requirements of Banks and Financial Institutions specially frustrate unmarried women/ girls. It is extremely difficult for girls and sometime other women also particularly those, coming from a lower Socio-Economic level to set up a modest sized unit as their own financial and other resources are barely inadequate to meet the promoter's contribution.
7. Personal (family) reasons like : Women's more inclination towards family activity For married middle class women in India : "Family is the priority". For unmarried women: "Marriage is the priority because of Indian social system.

### Suggestions For The Growth Of Women Entrepreneurs

The development of women entrepreneurs and their greater participation in the entrepreneurial activities. Women entrepreneurs need to be given confidence, independence and mobility to come out of their paradoxes. The following measures are suggested to empower the women to seize various opportunities and face challenges in business.

- There should be a continuous attempt to inspire, encourage women entrepreneurs.
- A awareness programme should be conducted.
- Enhance the standard of education of women, organize training programmes.
- Self-help groups of women entrepreneurs to mobilize the resources

- To establish all India forums to discuss the problems issues against constraints towards economic progress.

### **Economic Impact of Women Entrepreneurship**

It is obvious that the 21<sup>st</sup> century provides high hopes for the progress in women role. They do have the opportunity to get strategic positions that dominated by men in the past. In Asia, women are the economy driving force. Their contribution in providing job openings in business sectors continues to rise. They are involved in enterprises at all levels as managers, entrepreneurs, owners and investors. Combination of influence of more education, technology and fast economic growth make Asian women more assertive concerning their right, more aggressive in reaching their ambition while we already acknowledged that the number of Asian women in the work force from country to country are almost as high as those of men. Surprisingly in most countries in Asia, women are dominating the service sector.

The service sector in Asia also experienced surprising growth, and resulting a large working opportunity for women. In the business world, women entrepreneurs play a big role in business development in the Pacific region. In Japan, 5 out of 6 new businesses are created by women, and they have at least five employees. The number of women-owned larger companies is not significant, but they start and manage the smaller companies.

### **Steps Taken By the Government**

Development of women had been a policy objective of the government since independence. Women are given priorities in all the sectors including SSI sector. Government and non-government bodies have paid increasing attention to women's economic contribution through self-employment and industrial ventures.

- The first five-year plan(1951-56)-women establishment of social welfare measures for women.
- The second five-year plan(1956-61) –women empowerment in agricultural development programmes
- The third & fourth five plan (19 61-66 & 1969-74)-Support for women education as a major welfare.
- The fifth five year plan(1974-79)-emphasized in training for women welfare& development.
- The sixth five year plan (1980-85) a definite shift from welfare to development.
- The seventh five plan (1985-90)emphasized the need of gender equality and empowerment.
- The eight five year plan (1992-97) focused on empowering women through panchayati raj institutions
- The tenth five year plan (2002-07)-National policy for empowerment of women(2011)-protection and development of women.

At present, the government of India has over 27 schemes for women operated by different departments & ministries some of these are

- TRYSEM-Training of rural youth for self-employment
- IRDP-Integrated rural development programme
- KVIC-Khadi and village Industries commission
- PMRY-Prime Minister' s Rojar Yojana
- RGMVP-Rajiv Gandhi Mahila Vikas Pariyojana
- EDPs-Enterpreurial Development Programme
- WDCs –Women's Development Corporation

### **Conclusion**

Growing evidence asserts that women's entrepreneurial leadership, while differentiated, is fundamentally different than men's. It is apparent that some entrepreneurial women are crafting new visions and models of leadership, and many are

experiencing unique processes entwining the developing self, values of work, life, and family, and the personal dynamics of change with the processes of developing and leading a business. These phenomena deserve careful and critical exploration if we are to understand radical changes now occurring in women business owners' work-lives and leadership development, and develop new conceptual frames and vocabulary for naming these changes as they emerge. Today in India women's are in better position in the field of entrepreneurship through effective participation in various sectors. Efforts are taken at the economy as brought promise of equality of opportunity in all spheres to Indian women and laws guaranteed equal rights of participation in political process and equal opportunities and rights in education and employment were enacted. Women sector occupies nearly 45% of Indian population .at the effective steps are needed to provide entrepreneurial awareness, orientation and skill development programs to women. The role of women entrepreneur in economic development is also being recognized and steps are being taken to promote women entrepreneurship. Women in the society and understand their vital role in modern business field too. Then very soon we can pre-estimate our chances of out beating our own conservative and rigid through process which is the biggest barrier in our country's development process.. the unexplored talents of young women can be identified , trained and used for various types of industries to increase the productivity in the industrial sector.

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