

Role of Women Entrepreneurs in Development of Industries in India

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Abstract

Women entrepreneurs in India are making a difference. They contribute numerous ideas, a great deal of energy and capital resources to their communities, generate jobs as well as create additional work for suppliers and other spin-off business linkages. Women have been disadvantaged while competing with men in terms of pay due to their lifestyle requiring them to have babies, nurse them and still work for promotion. Female entrepreneurs on average make less than their male counterparts while value added per worker is lower in firms managed by women than those managed by men in India. In India, it has been a general perception that women can only play a better role as housewives who can only take care of their home and family. But this perception is rapidly changing now. The Indian women are no more being treated as beautiful showpieces or just family caretakers. They are carving a niche for themselves at a great pace in the male dominated world. In India, more and more women are taking up entrepreneurial activities to prove themselves equivalent to their male counterparts. They are managing to survive in this cut-throat competition with their hard work and perseverance. They are in no way contributing less than men in nation's growth. This paper focuses on the role of women entrepreneurs in development of industrial sector in India and also on the steps taken by governments for women entrepreneurs.

Introduction

In a male dominated sociological setup, it was never easy for women to achieve rights or carve a niche for themselves. In countries like India where there are deep rooted traditions prevailing, it is a general belief that a woman's primary role is to take care of homely affairs like cooking and bringing up children. Since the turn of century, India has observed a remarkable progress in women empowerment, which has subsequently resulted in upliftment of the status of women in society as a whole. The day-by-day growth of industrialization, globalization, and social legislation in India

has proved to be a blessing for women empowerment. Today, instead of limiting themselves within the four walls of the house, educated women have started demanding equal rights and respect from their partners and other family members. Despite all social hurdles, India is brimming with the success stories of women. Women have competed with men and successfully stood up with them in every walk of life and business is no exception for this. Ability to learn quickly, persuasiveness, willingness to take risks and chances, ability to motivate people, knowing how to win and lose gracefully are some of the strengths of the Indian women entrepreneurs.

Concept of Women Entrepreneurs

Entrepreneurs are people who remain in pursuit of identifying new business possibilities and exploit these possibilities through new ventures for economic gain. Women entrepreneurs may be defined as women or a group of women who initiate, organize, and operate a business enterprise.

The government of India has defined women entrepreneurs as – an enterprise owned and controlled by women having a minimum financial interest of 51% of the capital and giving at least 51% of the employment generated in the enterprise to women. Women entrepreneurship has long been associated with concepts such as women empowerment and emancipation. Increasingly, it has also been marketed as crucial for increasing the quality of life of women in the developing world. Further, it has also been encouraged as way of making changes to the status-quo of women and readdressing the balance of power within the family unit. The purpose of this research is to facilitate a discussion on how best to empower women using entrepreneurship. This will in turn help in the marketing of entrepreneurship as a tool for the female empowerment and emancipation. Women empowerment depends on taking part in various development activities. In other words, the involvement of women in various entrepreneurial activities has empowered them in social, economic, culture and other related fields.

Review of Literature

Cphoon, Wadhwa & Mitchell, (2010), present a detailed exploration of men & women entrepreneurs' motivations,

background and experiences. The study is based on the data collected from successful women entrepreneurs. Out of them 59% had founded two or more companies. The study identifies top five financial & psychological factors motivating women to become entrepreneurs. These are desire to build the wealth, the wish to capitalize own business ideas they had, the appeal of startup culture, a long standing desire to own their own company and working with someone else did not appeal them. The challenges are more related with entrepreneurship rather than gender. However, the study concluded with the requirement of further investigation like why women are so much concerned about protecting intellectual capital than their counterpart. Mentoring is very important to women, which provides encouragement & financial support of business partners, experiences & well developed professional network.

Singh & Raina (2013) described the problems and challenges faced by women entrepreneurs in India and also analyzed the policies of Indian government for women. The study mainly focused to find out the status of women entrepreneurs in India. The study found that in modern India, more and more women are taking up entrepreneurial activity, especially in MSMEs. It also observed that Indian women have imprinted a position for themselves in the male dominated world. It further showed that India women can well manage their household work as well as their household deadlines.

Jayan (2013) analyzed women entrepreneurship in MSMEs (Micro, Small and Medium Enterprises) and the

relationship between industry-related factors and success of entrepreneurs with special reference to Coimbatore city. The study identified that the factors which motivate women to become a successful entrepreneur are achievement, motivation, and human relation.

Objective of the Study

- A. To study the role of women entrepreneurs in economic development of India.
- B. Problems faced by women entrepreneurs which results in hindrance to their growth thus affecting the economy.

Reasons for Women Becoming Entrepreneurs

Women entrepreneurs are engaged in business due to different factors which encourage women to have an independent occupation and have an independent status. A move towards independent decision making on their life and career is the motivational factor behind this urge. In other words, women entrepreneurs are persons who accept challenging roles to meet their personal needs and become economically independent. Besides, a strong desire to do something positive is an inbuilt quality of entrepreneurial women, who is capable of contributing values to both family and social life. Many women start a business due to some traumatic events, such as divorce, discrimination due to pregnancy, health of a family member, death of bread winner, sudden fall in family income, permanent inadequacy in the income of the family, etc.

In India, women are involved in every sector of business. The challenges and opportunities provided to the women of

digital era are growing at a great pace and the job seekers can be seen turning into job creators. A new lot of talented women entrepreneurs is forming today as more women are choosing to leave corporate world to shape their own destiny. They are mostly flourishing as interior designers, exporters, publishers, garment manufactures, fashion designers, etc., and still exploring new avenues of economic participation.

Women Entrepreneurs and Micro, Small and Medium Enterprises (MSMEs)

Economic empowerment is the key to women emancipation and Micro, Small and Medium Enterprises (MSMEs) are an important tool to herald this objective. In India, the contribution of women entrepreneurs or economically active women many times goes off the record due to lack of effective supervisory measures, but in the recent years Indian Government has taken up many steps to bridge the gap between men and women on economic parameters. Today, in India we can see women everywhere in the Startup network. Women now have even started taking risk of leaving highly reputed and lucrative jobs and adopting entrepreneurship. A large number of women are now coming out of the four walls of the house and making themselves a part of entrepreneurs. The Ministry of MSMEs is confident that women can play an important role in the economic growth of the country through their entrepreneurial abilities.

According to the research report of International Finance Corporation regarding financial support to MSMEs, there is a remarkable growth seen in enterprises owned by women who have been provided

financial help. Today, in India there are about 10% to 13% MSMEs owned by women out of a total of around 36 million MSMEs. This contributes to 3.09% of total industrial production in our country and also provides employment to around 80 lakh women. Around 78% of women enterprises comprise of service sector. Majority of women owned enterprises consist of small firms and 98% of these are micro enterprises.

Participation of Women Entrepreneurs Through MSMEs in India (State-Wise):

In order to bring about all-round development of the secondary sector of the economy under the given resource crunch and lack of modern entrepreneurship qualities, the government had visualized that there has to be synchronization among the large scale and small scale industries in the economy. Therefore post 1947 the government has consciously planned for heavy industrialization and the small scale industries as well. Apart from this, the role

of women participation and its impact on the sector as a whole was also given importance. The widespread prevalent economic conditions of the poor people and their day-to-day difficulty made the females to move out of their houses and involve themselves in remunerative economic activities. The small scale sector has two bifurcations as registered and unregistered units. The main purpose of registration is to maintain statistics and maintain a roll of such units for the purposes of providing incentives and support services. States have generally adopted the uniform registration procedures as per the guidelines. However, there may be some modifications done by states. It must be noted that small industries is basically a state subject. States use the same registration scheme for implementing their own policies. It is possible that some states may have a 'SIDO registration scheme' and a 'State registration scheme'. The position of women entrepreneurs in India is given State-wise in the following table:

<u>Name of State/UT</u>	<u>Number of Women Entrepreneurs</u>
1. JAMMU & KASHMIR	5742
2. HIMACHAL PRADESH	3722
3. PUNJAB	29068
4. CHANDIGARH	2243
5. UTTARANCHAL	8804
6. HARYANA	9620
7. DELHI	14383
8. RAJASTHAN	36371
9. UTTAR PRADESH	72667
10. BIHAR	49443
11. SIKKIM	98
12. ARUNACHAL PRADESH	150
13. NAGALAND	179
14. MANIPUR	10745
15. MIZORAM	3700

16. TIRPURA	863
17. MEGHALAYA	3580
18. ASSAM	11757
19. WEST BENGAL	69625
20. JHARKHAND	7865
21. ORISSA	38233
22. CHHATTISGARH	10034
23. MADHYA PRADESH	68823
24. GUJARAT	53703
25. DAMAN & DIU/DADRA & NAGAR HAVELI	213
26. MAHARASHTRA	100670
27. ANDHRA PRADESH	77166
28. KARNATAKA	103169
29. GOA	810
30. LAKSHADWEEP	67
31. KERALA	139225
32. TAMIL NADU	129808
33. PONDICHERRY	1065
34. ANDAMAN & NICOBAR ISLANDS	110

ALL INDIA

1063721

The total number of women entrepreneurs in the total MSME sector was estimated at 1063721 (10.11%). In the states of Mizoram, Orissa, Karnataka, Goa, Lakshadweep, Kerala, Tamil Nadu, and Pondicherry, the share of women entrepreneurship was significantly higher (more than 20%).

Which Industries Attract Female Entrepreneurs?

A representative sample of the Indian economy was captured using microdata on the unorganized service and manufacturing sectors during 2001-2002 and 2005-2006, respectively. The survey data were used to identify the presence of new entrants as well as the gender of the owner of proprietary establishments. This information was analyzed to find relative rates of female

entrepreneurship and business ownership at the district-industry-year level. Overall, the average female business ownership share increased from 26 percent in 2000 to 37 percent in 2005. On an employment-weighted basis, the rate increased from 17 percent to 25 percent. The female ownership rates across major cities have a distribution that is mostly similar to the distribution across states.

The districts containing India's major cities have higher than average rates of female entrepreneurship. Karnataka, Kerala, and Tamil Nadu have relatively high female business ownership rates in unorganized manufacturing, with an average female establishment ownership rate exceeding 45 percent. In contrast, Delhi, Bihar, Haryana, and Gujarat have low female ownership and

entrepreneurship shares. Within the manufacturing sector, female ownership shares are highest and typically exceed 50 percent in industries related to chemicals and chemical products, tobacco products, and paper and paper products. At the opposite end, female ownership shares are 2 percent or less in industries related to computers, motor vehicles, fabricated metal products, and machinery and equipment. In the service sector, female ownership rates in major cities tend to be higher than overall state averages. The correlation of state gender ratios between manufacturing and services is about 0.5 on a count basis, and above 0.9 on an employment-weighted basis. The states with the highest female service sector ownership rates are Kerala, Tamil Nadu, and Andhra Pradesh, with average female ownership shares exceeding 12 percent. The lowest female ownership rates are in Rajasthan, Bihar, Orissa, and Uttar Pradesh, each with 6 percent or less. The average female business ownership share, with and without employment weights, was between 8 percent and 9 percent for 2001 and 2006, respectively.

Among service industries, female ownership shares exceed 30 percent in industries related to sanitation and education. Industries related to research and development, water transport, and land transport have the lowest female ownership rates, at 1 percent or less.

Problems Faced by Women Entrepreneurs in an Enterprise

- The greatest deterrent to women entrepreneurs is that they are women.

- Lack of will-power, self-confidence, strong mental outlook and optimistic attitude amongst women create a fear from committing mistakes while doing their piece of work.
- The old and outdated social outlook to stop women from entering the field of entrepreneurship is one of the reasons for their failure.
- Women's family obligations also bar them from becoming successful entrepreneurs in both developed and developing nations.
- Indian women give more emphasis to family ties and relationships.
- Achievement motivation of the women folk found less compared to male members.
- Absence of proper support, cooperation and back-up for women by their own family members and people from outside world force them to drop the idea of excelling in the enterprise field.
- Credit discrimination and non-cooperative officials.
- Fear of expansion and lack of access to technology.

Conclusion

It can be said today that we are in a better position wherein women participation in the field of entrepreneurship is increasing at a considerable rate. Efforts are afoot to usher in equal opportunities to the Indian women. Attempts to make laws ensuring their major parts being taken at the economy has brought promise of equality and opportunity in all spheres to the Indian women and laws guarantee equal rights of participation in political process and equal opportunities and

rights in education and employment. Women sector occupies nearly 45% of the Indian population. Today, women have established their strong footing in occupations such as medicines, engineering, electronics, readymade garments, fabrics, eatables, handicrafts, doll-making, poultry, plastics, soap, ceramics, toy-making, nurseries, crèches, textile designing, dairy, knitting, jewelry designing, grocery dealing, beautician, healthcare products, career counseling and so on. Among some accomplished women entrepreneurs, Smt. Sumati Morarji of Shipping Corporation, Smt. Sharayu Daftary of Automobile Radiators, Smt. Yanutai Kirloskar of Mahila Udyog Limited, Smt. Vimal Pitre, manufacturer of surgical instruments, Smt. Neera Malhotra in Exports and Smt. Waheeda Rahman in fast foods are some names that stand out as successful women entrepreneurs in Indian history. The Indian women are no longer treated as show pieces to be kept at home. They are also enjoying the impact of globalization and making an influence not only on domestic

but also on international sphere. Women are doing a wonderful job striking a balance between their house and career. Here are a few modern day women entrepreneurs who have carved a niche for themselves making their presence felt not only in Indian industry sector but also globally: Dr. Kiran Mazumdar-Shaw, Chairperson and Managing Director of Biocon Ltd., Ekta Kapoor, head of Balaji Telefilms, Neelam Dhawan, Managing Director of Microsoft India, Naina Lal Kidwai, operational head of HSBC in India, Indu Jain, Chairperson of Times Group, Simone Tata, Chairperson of Trent Limited, Mallika Srinivasan, Director of TAFE Tractors and Preetha Reddy, Managing Director of Apollo Hospitals. The increasing presence of women in the business field as entrepreneurs has changed the demographic characteristics of business and economic growth of the country. Women-owned businesses enterprises are playing a more active role in society and the economy, inspiring academics to focus on this interesting phenomenon.

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