

Role of Women in Entrepreneurship and Economic Development

Prithvi Karinje¹, Pratibha Giri² and Reeva Verma³

¹Dept. of Management Studies JSSATE, Noida, India

²Dept. of Management Studies JSSATE, Noida, India

³Dept. of Management Studies JSSATE, Noida, India

E-mail: ¹prithvi0508@gmail.com, ²giripatibha30@gmail.com, ³reevaverma@gmail.com

Abstract—Women entrepreneurship is gaining importance in India in the wake of economic liberalization, globalization and privatization initiated by the Indian government. Narrowing the gender gap in employment and entrepreneurship will increase global earnings per person by as much as 20% by 2030. Women business leaders motivate other women to pursue their dreams. Now-a-days women enter not only in selected professions but also in professions like trade, industry and engineering. Women entrepreneurship has gathered momentum in the last three decades with the increase in the number of women enterprises and their substantive contribution to economic growth. This paper assesses the impact of changes in female labor force participation through entrepreneurship on the economic development of India.

Keywords: Entrepreneurship, Liberalization, globalization

1. INTRODUCTION

Entrepreneurship has been a male-dominated phenomenon from the very early age, but the era has changed the circumstances and brought women as today's most memorable and inspirational entrepreneurs. In almost all the developed countries, women are putting their steps at par with the men in the field of business.

Women sector occupies nearly 45% of the Indian population. A quiet revolution is taking shape right now among women. The literary and educational status of women improved considerably during the past few decades. With the spread of education and awareness, women have shifted from the restrained space of their kitchen to upper level of professional activities. More and more educational and research institutions are imparting knowledge and specialization in varied fields, particularly in the areas of business and entrepreneurship.

The role of Women entrepreneur in economic development is inevitable. Their role is also being renowned and steps are being taken to promote women entrepreneurship. Women entrepreneurship must be molded properly with entrepreneurial traits and skills to meet the changes in trends,

challenges in global markets and also be proficient enough to sustain and strive for excellence in the entrepreneurial arena.

India has great entrepreneurial potential. At present, women participation in economic activities is marked by a low work participation rate, excessive concentration in the unorganized sector and employment in less skilled jobs.

Any strategy aimed at economic development will be uneven without involving women who constitute half of the world's population. Evidence has explicitly established that entrepreneurial spirit is not a male prerogative.

The industrial performance of Asia-Pacific region propelled by Foreign Direct Investment, technological innovations and manufactured exports has brought a wide range of economic and social opportunities to women entrepreneurs. At this stage, effective steps are required to provide entrepreneurial awareness, orientation and skill development programs to women. Since the turn of the century, the position of women in India has been changing due to growing industrialization, globalization, and social legislation. The institutions available at present are very limited. Moreover, their functions and opportunities available with them are not popularized much.

2. REVIEW OF LITERATURE

Orhan (1999), Women entrepreneurs often feel that they are victims of discrimination. This statement was also emphasized by who found that one of the most interesting issues with regard to women entrepreneurship is the different ways women are discriminated against in concealed ways. According to Kuratko and Welsch (1994), women entrepreneurs have long felt that they have been victims of discrimination. Various studies examined the types of discrimination and some have been attempted to document them. This argument is supported by De Bruin, Brush and Welter (2007) Researchers Sexton and Bowman-Upton suggest that female business owners are subject to gender-related discrimination. In addition, from the studies we

emphasize that this discrimination against women seems to be even worse in Cities, such as East and South East states of India, where the financial sector is male oriented. The argument is further supported by Marlow (1997), who commented that discrimination remains a problem for women in self employment, for example, they experience particular difficulties in gaining bank finance for their ventures. According to Minniti and Arenius (2003) and Kock (2008), governments should address factors such as education, training and family-work reconciliation. Policies should thus create and guarantee the existence of underlying conditions favorable to an entrepreneurial environment rather than being active promoters of start-up activities. Bridge, O'Neill & Cromie, (2003) although men and women both experience personal problems, women recorded more difficulties. This is especially true with regard to a lack of self-confidence and not being taken seriously by providers of funds when applying for funds (It is widely acknowledged that Indian women have access to fewer resources than men. For example, relative to men, they tend to have lower access to land, credit facilities, education and training facilities (Katepa-Kalala, 1999:7). Winn (2004) argued that the critical factors for women to succeed in independent businesses need to be understood to provide a better education and support system. Governments can provide female entrepreneurs with special loans, subsidies, funds, enterprise centers, entrepreneurship awards, counseling, training, advisory support, information products and web portals. Richardson, Howarth and Finnegan (2004) commented that women entrepreneurs suffer from significant material constraints through to unhelpful attitudes arising from society's negative attitudes towards women in business. Heilman and Chen (2003) as well as Botha (2006) argued that various push-and-pull factors exist that can motivate women to start their own businesses. Botha (2006) has revealed in previous research, it is important to determine the factors that motivate women to start their own businesses. This knowledge regarding the profile of the woman entrepreneur might enable policy-makers to create an encouraging environment for women entrepreneurs to start their own businesses. Maas and Herrington (2006) defined push factors as the more negative factors, such as unemployment and retrenchment, which force people to become entrepreneurial in order to survive. They regard pull factors to be the more positive factors, such as government support and role models, which might influence people to choose entrepreneurship as a career option. Shelton (2006) advised that in order to improve the survival and performance of women-owned ventures, programmes should be implemented to assist women in selecting appropriate work-family management strategies. If work-family conflict is addressed, a potential stumbling block for women business owners will be removed and the effectiveness of other programmes will be enhanced. Ghosh and Cheruvalath (2007) found that only one-fifth of women are drawn into entrepreneurship by pull factors. The rest are forced into entrepreneurship by push factors. Ghosh & Cheruvalath, (2007) Challenges to women entrepreneurs cover a wide

spectrum, including level of education, inter-role conflicts emanating from greater parenting responsibilities, a dearth of financial assistance and socio cultural constraints. Abimbola, Emmanuel and Ahmadu (2007), however, found that in most cities many programmes and legislation have been implemented to improve life for women entrepreneurs, but have not yielded results. This happened because most of the facilities embedded in the programmes do not reach those in need of them, but are used to service political and other loyalties. These researchers believe that the dispensation of facilities should rather be done through community-based associations or groups, rather than through political affiliations. Effective monitoring mechanisms should also be put into place to ensure that facilities are put into proper use and to prevent the misapplication of funds. Kock (2008) argued that many women want post-start-up support that is accessible after trying out the skills learned in earlier training. Mentoring is one method of providing this support, which can be very effective as it addresses the specific problems faced by the individual entrepreneur. The support can include individual as well as group-based assistance directed at specific problems where mentors serve as role models.

3. WOMEN ENTREPRENEURS

Women Entrepreneurs may be defined as the woman or group of women who instigate, organize and co-operate a business enterprise. Government of India has defined women entrepreneurs as an enterprise owned, controlled and by a woman having a minimum financial interest of 51% of the capital and giving at least 51% of employment generated in the enterprise to women. The Indian women are no longer treated as show pieces to be kept at home. A sense towards independent decision-making on their life and career is the motivational factor behind the urge of becoming entrepreneurs exists for women. Saddled with household tasks and family responsibilities women want to get independence. Under the influence of these factors the women entrepreneurs choose a profession as a challenge and advocate doing something new.

Women entrepreneurs of 21st century are potentially aggravated for change in order to improve the living conditions of their family, provide a sharing hand to their husbands in earnings generation, provide quality education to their children, add positively by creating job opportunities, empowering other women and bringing away the society out of economic inequality and unemployment. Women's entrepreneurship is both about women's status in society and the role of entrepreneurship in the same society. Women are faced with specific obstacles such as family responsibilities that have to be overcome in order to give them way into the same opportunities as men. Also, in some countries, women may experience obstacles with respect to holding property and entering contracts. Increased involvement of women in the labor force is a must for improving the position of women in society and self-employed women.

4. ROLE AND CONTRIBUTION OF WOMEN ENTREPRENEURS IN INDIA

In India, women lead the micro enterprise sector both in rural and urban areas. According to the central statistical authority women account for close to 70 per cent of the micro enterprises in India are run by women. However, their involvement in small, medium and large enterprises falls down. Apart from the participation in productive activities such as agriculture, trade and industry, women have several roles in society. They participate in fruitful activities such as agriculture; they are responsible for caring for the family including the cooking for family, health care and education. Women need to balance these vivid roles and therefore they are multitasked, managing their businesses together with all other roles they are expected to perform. Women account for a larger share of the informal economy operators, as well as those running micro and small enterprises in India. Micro, Small and Medium scale entrepreneurs make a significant contribution to the socio-economic progress of the country by way of supporting the people to earn money and make a contribution to family earnings, and by supplying basic goods and services for local consumption. However their role is not fully recognised or understood, and there is little in the way research or statistics to provide a broader understanding of women's experience as business owners, their contribution to economic development or the obstacles they face in setting up, managing and growing their enterprise.

Women entrepreneurs are often described as 'survivalist' and dominate the low skill, low capital intensive and often informal and micro business. Women tend to focus on business that is a furtherance of their domestic roles, such as the service segment. The potential for the growth of women's enterprises is said to be below and is driven less by entrepreneurial drive than the need for survival. Women comprise 74 per cent of those employed in the micro enterprises sector. More than 65 per cent of all women in cottage handicraft industries (micro enterprise) were betrothed in processing food products and beverages.

Role of Women Entrepreneurs in Economic Development

Women's economic activities add directly to growth and efficiency in dealing with informal business problems and poverty reduction in the Country by contributing to the economic development of the Nation in the following ways:

- **Capital formation:**

Women Entrepreneurs gather together the idle savings of the public through the issue of industrial securities. Investment of public savings in industry results in dynamic utilisation of national resources. The rate of capital formation increases, which is vital for rapid economic growth.

- **Growth in Per capita Income:**

Women entrepreneurs in India have also been exploiting various ventures. They convert the dormant and idle resources like land, labour and capital in to national income and wealth in the form of goods and services. They aid in increasing the country's net national product and per capita which are important yardsticks to measure the economic growth of the Nation.

- **Generation of employment:**

Women entrepreneurs in India are playing an important task in generating employment both directly and indirectly. By setting up small scale industries, they offer jobs to people.

Key policy recommendations for promoting Women entrepreneurship

- Increase the ability of women to take part in the labour force by ensuring the availability of reasonably priced child care and equal treatment in the work place. Improving the position of women in society and promoting entrepreneurship generally will have benefits in terms of women's entrepreneurship.
- Listening to the voice of women entrepreneurs is essential. The creation of government offices of women's business ownership is one way to make possible this. Such offices could have programme responsibilities such as providing women's business centres, organising information seminars and meetings and/or providing web-based information to those wanting to start and grow a business.
- Incorporate a women's entrepreneurial dimension in the formation of all Small and Medium Enterprises related policies. This can be done by ensuring that the impact on women's entrepreneurship is taken into account at the design stage.
- Promote the development of women entrepreneur networks. These are major sources of knowledge about women's entrepreneurship and valuable tools for its development and promotion. Co-operation and partnerships between national and international networks can facilitate entrepreneurial endeavours by women in a global economy.
- Periodically evaluate the impact of any Small and Medium Enterprise-related policies on the success of women-owned businesses and the extent to which such businesses take advantage of them. The objective should be to make out ways to improve the effectiveness of those that should be retained. Good practices that are identified in this way should be scattered and shared internationally.
- Improve the factual and logical underpinnings of our understanding of the role of women entrepreneurs in the economy. This requires strengthening the statistical basis for carrying out gender-related cross-country comparative analyses and longitudinal studies of the impact of

important developments and policies, especially over time. Gender related obstacles, both in the environment and/or in the women themselves, lead to that only women with well above average entrepreneurial skills find it attractive to self reflect into entrepreneurship. Therefore not only ways of boosting self-confidence with female students should be part of future research, but also exploration into the existence of prejudices. With a focus on the educational scenario, this should deal both with male and female students and lead to recommendations on how these prejudices can be overcome. Over the past two decades, women entrepreneurs have come to be renowned for their significant contributions to socio-economic development of their respective countries. Despite all the social hurdles, India is brimming with the success stories of women. They 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 rank of women and diverse 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 self-assured, persuasive and willing to take risks. They managed to survive and succeed in this cut throat competition with their hard work, meticulousness and perseverance. Ability to learn quickly from her abilities, 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.

5. CONCLUSION

Entrepreneurship is presently the most discussed and encouraged concept all over the world to overcome economic challenges. Women being the vital gender of the overall population have great capacity and potential to be the contributor in the overall economic development of any nation. Therefore, programs and policies need to be customized to not just encourage entrepreneurship as well as implement strategies which can help support entrepreneurial culture among youth. Media has the potential to play the most vital role in entrepreneurial development by creating and highlighting all such platforms which can bring out the creativity and innovation among the women and men to grow entrepreneurship culture in society. Developing countries are definitely in dire need to encourage women entrepreneurship as women workforce is promptly available to exploit the unexplored dimensions of business ventures. Generally speaking, globally business world has realized and is working on war footing to create entrepreneurship as the final remedy to overcome all types of business and market challenges. Independence brought promise of equality of opportunity. Independence brought promise of equality of opportunity in

all sphere to the Indian women and laws guaranteeing for their equal rights of participation in political process and equal opportunities and rights in education and employment were enacted. But unfortunately, the government sponsored development activities have benefited only a small section of women. The large majority of them are still unaffected by change and development activities have benefited only a small section of women i.e. the urban middle class women. Women are willing to take up business and contribute to the nation's growth. Their role is being recognized and steps are taken to promote women entrepreneurship. Resurgence of entrepreneurship is the need of the hour. Women entrepreneurs must be molded properly with entrepreneurial traits and skills to meet changing trends and challenging global markets, and also be competent enough to sustain and strive in the local economic arena. Entrepreneurship among women, no doubt, improves the wealth of the nation in general and of the family in particular. Women today are more willing to take up activities that were once considered the preserve of men, and have proved that they are second to no one in regard to contribution to the luxuriant efflorescence of the economy. Women entrepreneurship must be molded properly with entrepreneurial traits and skills to meet the changes in trends, challenges of global markets and also be competent enough to sustain and strive for excellence in the entrepreneurial arena. We have to look at fostering a legion of women entrepreneurs, who can make significant qualitative changes in the economic landscapes of the countries," There is a great need to educate women entrepreneur for the nation's development and overall growth of the economy. Presently not only are women generating employment for themselves in the organized and unorganized sector, they are also providing employment to others. Government should provide the essential planning for the development. Government should encourage promoting women's economic empowerment which will be driving force behind the economic growth and the fight against Poverty. Corporations also are now gearing up for the management of home grown women entrepreneurs with creative scheme which will prove sustainable for the benefit of women empowerment. Further, following can be taken as suggestions: Right efforts on from all areas are required in the development of women entrepreneurs and their greater participation in the entrepreneurial activities.

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