

Gender Inequality in Entrepreneurship— A Growing Concern

Shweta Arora

Amity Law School 2, Amity University, Noida

E-mail: sarora3@amity.edu

Abstract: *The transformation in the perception of human mind set has led to remarkable improvements with respect to gender and their choice of occupation. With passage of time, women are no more classified as the weaker sections of the society. However despite this progress, many challenges remain. Women constitute almost half of the total population in the world. But their representation in gainful employment is comparatively low. In most countries average earnings of women are lower than those of men. In several developing countries marriage is the only career for most women. Women have confined their activities to selected professions such as education, nursing, medicine, and office work. Very few women enter profession like industry, trade etc. However the need of the hour is to understand that the socio-economic development of a country cannot be fully realized as long as its women are confined to subordinate position and their talents remain unexplored.*

In business the entry of the women is relatively a new phenomenon. However despite the social, economic and psychological barriers they are competing successfully with men. This has become possible due to the education, urbanization, social reforms and political awakening. On account of the breakup of the joint family system and the need for additional income to maintain living standards in the face of inflation, women have begun to enter the competitive world of the business. This paper is an attempt to describe the challenges faced by the rural women entrepreneurs and the remedies to solve their problems. Also it aims to discuss the growth of women entrepreneurship in the recent years.

1. INTRODUCTION

Women in India still perform only their traditional roles in their houses and in agriculture. They do not engage in any of the economic activities without assistance from their men folk. Due to socio-cultural, traditional practices and conventions, the development of women entrepreneurship is low in our country. This is absolutely true in case of rural women, though the urban women are enjoying a slightly better status in the society. In the modern societies they have come out of the four walls to participate in all sorts of activities. They have started plunging into the industries and running their enterprises successfully. They are ready to take risks, face challenges and prove to the world that their role is no more limited to that of the buyers but can extend to that of successful sellers. Now-a-days women in the modern society have become more independent and achievement oriented.

The status of women is closely associated with their economic position, which further depends upon their access to productive resources of the country and the opportunities for participation in economic activities. The socio economic development of a country cannot be fully realized so long as its women are confined to subordinate position and their talents remain unexplored. In the male dominated set up, women get very poor recognition, which is no way match to their achievements. In order to achieve the objectives of social justice it is necessary to harness the latent skills and potentials of women especially the rural women. They play a key role for rapid and sustained economic development of the rural areas and the ultimate prosperity and development of the nation.

After the Second World War, women have been taken out of their traditional occupation to take up jobs out of homes. Of late the entrepreneurial world is also open to the women folk. Women Entrepreneurship is now becoming a reality due to the pull and push factors. Between the pull and push factors, the former takes it as a real challenge with an urge to do something new and take up an independent occupation. The other category of women establishes the business enterprises to overcome the financial problems of self and family.

The growth of women entrepreneurs is very slow in India especially in the case of rural women entrepreneurs. It is very slow and even negligible due to the various constraints. The existence of these constraints affects the emergence of women entrepreneurs in rural areas. In a developing country like India, if effective and concrete steps are taken to overcome the constraints encountered by women entrepreneurs, more women can be brought into the entrepreneurial arena. Also huge employment opportunities can be generated among the rural women and the poverty can be eradicated among the rural masses. Though the central and the state Governments have launched many entrepreneurial development programs especially for the women there has been no remarkable achievement in the rural areas.

2. CONCEPT OF WOMEN ENTREPRENEURSHIP

An entrepreneur is the one who introduces something new into the economy. In the Indian Context, entrepreneur is more an

adapter or initiator than a true innovator. Therefore any women who initiates, innovates or adapts an economic activity may be called as a women entrepreneur.

They may be defined as the women or the group of women who initiate, organize and operate a business enterprise. The Government of India has defined women entrepreneur based on women participation in management and employment of a business enterprise.

According to the Government of India, women entrepreneur is defined as an enterprise owned and controlled by a woman and having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of employment generated in the enterprise to women.

3. GENDER DIFFERENCES

Men and women think in a different manner, as a result of which there is a difference in their ways of doing business. In general there are different reasons for the gender differences. It is considered that men value logics more than sentiments as compared to women. Also men can control their emotions at work place where as women are more soft hearted. These differences among the two genders take even a higher place because of the societal factors. Women's contribution to development is seriously underestimated and thus the social recognition is limited.

4. NEED FOR WOMEN ENTREPRENEURSHIP

Entrepreneurial spirit is not gender specific. As women constitute roughly 50 percent of the total population it is high time that their initiative should contribute to the economic activity in the form of:

- Optimum utilization of human resources no matter what gender is.
- The much talked about women empowerment which in away depends on economic empowerment.
- Help women realize their self-worth by making use of their innate potential.
- Channelize the women power towards the national building activities.

In spite of the realization of the policy makers about the need for promoting women entrepreneurship, the participation of women in the wealth creation process is far from satisfactory. Much needs to be done in this regard. Any serious effort to encourage the women to participate in entrepreneurial activities can't yield the desired results unless the problems or constraints faced by women are properly diagnosed. Therefore the need of the hour is to identify in a systematic way the various bottlenecks and to suggest improvements.

5. REASONS FOR SLOW GROWTH OF WOMEN ENTREPRENEURS

Women in the traditional societies are taught to depend upon others and to limit their ambitions and to avoid exposure to risks. They are under the protective wings of their husbands. Such orientation and role prescriptions inhibit the development of self-confidence, innovations, and achievements, motivation and risk taking ability which is essential for an entrepreneurial career. Moreover in the rural areas the entrepreneurial ambition of women to secure independent living, to gain social prestige and self-accomplishment are not persuasive. Rural women do not aspire for independence through entrepreneurial development. It is the compelling factors like low income, unemployment and other family conditions which motivate them to start micro enterprises. The reasons to start micro enterprises by women are:

- To supplement family income
- To continue the traditional family occupation for income.
- To become financially independent
- Forced to respond to household's increasing needs.
- To improve status in the family and society.

6. FUNCTIONS OF WOMEN ENTREPRENEURS

A women entrepreneur has the following functions in similarity with the male entrepreneur:

- Explore the prospects of starting a new enterprise.
- Undertaking of risks and handling of economic and non-economic uncertainties.
- Introduction of new innovations or imitation of successful ones in existence.
- Coordination, administration and control
- Supervision and providing leadership in all aspects of the business.

7. CONSTRAINTS OF RURAL WOMEN ENTREPRENEURSHIP

Women suffer the most in our country. The basic problem of a women entrepreneur stems from the fact that she is a female. A woman is first seen as a woman and then an entrepreneur. The task of a female entrepreneur is full of challenges. They have to encounter public criticism, family prejudices and social constraints in the process of establishing them as independent entrepreneurs. Following are the constraints faced by rural women entrepreneurs:

7.1 Cultural Constraints

A majority of women entrepreneurs do not like to be swayed by the expedient and uproot the cultural values. They do not equate themselves with men but seek simply equal

opportunities with them. They do not want to lose the basic fabric and thread of Indian culture for which India is known since the dawn of civilization.

7.2 Low Literacy Rate

The low literacy rate among the female is another serious hurdle. Parents mostly in the rural areas fail to see why their daughters must be educated as her training in household chores is considered to be more important. Another argument to this is that the educated girl would require educated husband and demand higher dowry. Parents find it more reasonable to spend on the education of a son rather than on daughter. Next reason is that mobility of girls tends to remain restricted and co-educational schools are not desired in the middle and secondary levels. To send girls to far off places for education is both economically impractical and socially unacceptable.

7.3 Lack of Family Support

Equal treatment of men and women is absent at the family level and the social level. Social attitudes are equally responsible for keeping women away from training and skill. In rural areas, the presence of elders restricts the young girls from venturing out and very strict boundaries are drawn around their mobility. The male superiority, ego, complex creates barriers in the path way of success. When she is upgraded in the business fields, she has to face hostile reactions from her colleagues. This situation is even found between husband and wife. Young unmarried women are discouraged to take up independent ventures by their parents thinking that the venture will become property of her husband after marriage.

7.4 Lack of Entrepreneurial Skills

Rural women entrepreneurs are facing problems of managerial deficiency. Need for achievement, independence and autonomy are the basic ingredients required for an entrepreneur. Such requirements are either absent or found in negligible quantities in women. Risk bearing capacity is a crucial factor in running an enterprise which is very low in women. They are easily disheartened by the failure. Lack of information is needed to achieve entrepreneurial success. This leads to poor communication ability and lack of self-confidence, lack of business experience and poor information scanning to tap market potential and encash opportunities provided by various government schemes. The enterprise takes a second place to home. Lack of specialized trainings particularly in the rural areas hinders the progress of their business.

7.5 Market Constraints

Marketing is another very serious problem encountered by women entrepreneurs. Market Competition has increased

highly these days due to wide variety of products available. Location disadvantages, because of their rural background pose another problem as they do not get accessibility to get enough orders and market exposure. They do not know how to market their produce. Establishing shops and showrooms is a costly affair. Due to social environment prevalent they are unable to move freely and quickly as individuals may move. Hence they are forced not to increase their production on a large scale.

7.6 Financial Constraints

Although the problem of liquidity and finance are common to both men and women, it is acute for women entrepreneur. Rural women and entrepreneur think that getting assistance from the government agencies is a lengthy process. Ignorance of banking procedures, lack of experience in formulating bankable projects is also constraints for rural women. Very few women have property in their names. Banks have also taken the negative attitude for providing finance to the women entrepreneurs that they can leave their business at any time.

In spite of so many hurdles and limitations, the participation of women in entrepreneur activities is steadily increasing. Government has recognized a sense of potential entrepreneurs and also as a special target group to development. Accordingly different development agencies have come to increase the assistance.

8. PRESENT POSITION OF WOMEN ENTREPRENEURS

The women in India were treated merely as show pieces to be kept at home. However since 1975 there is an awakening about women entrepreneurs and moderate steps were taken to gradually improve the position of women entrepreneurs. Not only are they enjoying the impact of globalization on the domestic sphere but on the international sphere as well. We are in a better position today where in the women participation in the field of entrepreneurship is increasing at a considerable rate. Efforts are being taken at the economy as well as the global level to enhance women involvement in the enterprise sector. The women have now no longer restricted themselves to the 3 P's viz pickles, papad and powder but have started shifting to the 3 E's viz engineering, electronics and energy. Indian women are in no way inferior to men and are as good entrepreneurs as the men in the country. However women's participation in the industry, trade and commerce requiring entrepreneurship is still poor, mainly because of the existing gender differences. Therefore economic empowerment of women poses a special challenge in front of the government and non government organizations. This will not only change the economies of the societies but will also change the status of women which will undoubtedly bring drastic positive change in growth and development. Thus what is required is to

continue with the trend to education, spreading awareness and consciousness among the women to raise high in all the fields.

9. FUTURE PROSPECTS

The following initiatives should be taken for the promotion of women entrepreneurs.

- Creation of awareness about the various business opportunities and the operational aspects of exploiting them. Detailed analysis of the various regions specific resources and skills would help in identifying the right opportunities. Activities like pickles, ethnic foods, handicrafts, carpets etc should be encouraged.
- Spread of information through mass media, focus group interactive sessions and extension activities is necessary. Women have to be help in shedding the age old inhibitions and superstitions. Success stories like Mahila Udyog Vikas (Lijjat Papad) needs to be communicated through audio visual presentations.
- Exclusive entrepreneurial motivations campaigns with professional trainers should be organized for the target group of women to promote the entrepreneurs. Successful entrepreneurs, social leaders and other government employees should be invited to share their experiences with the target group that would act as positive reinforcements.
- Introduction of liberal financial assistance to the women entrepreneurs should be enacted. Also the loans and financial assistance should be made available at easy loans terms so that it provides encouragement to the women. Emphasis should be based upon business potential of the entrepreneurs in paying back the loan amount rather than on the collateral securities.

- Installation of Stringent measures to curb the misuse of the funds is necessary. Appropriate measures should be taken to monitor the usage of the funds.

10. CONCLUSION

Rural women entrepreneurs have been in the business for several years and some have achieved remarkable success. However they are still not found in large numbers. At this point of time rural women need a coordinated support system to enter the main stream of economic activities. On the other hand they are unable to make satisfactory progress because of sociological and psychological constraints. There is a greater awakening among the women. Given an opportunity, they will deliver the results. Educating women is absolutely essential in strengthening her personality. The need of the hour is to provide an opportunity for a conducive atmosphere. The need for awareness motivation to encourage the women entrepreneurs is also important. An integrated approach is necessary for making the movement of women entrepreneurship for progress.

REFERENCES

- [1] Maheshwari, B.L., "Innovations in Management for Development", Tata McGraw Hill Publishing Co.Ltd. New Delhi, May 1992.
- [2] Vasant Desai, "Dynamics of Entrepreneurial Development and Management", "Himalaya Publishing House, Delhi, 1995.
- [3] Pillai, J.K. "Women and Empowerment", Gyan Publishing House, New Delhi, 1995.
- [4] M.Sundra Pandian, "Women Entrepreneurship Issues and Strategies", Kanishka Publishers, Distributors, New Delhi, 1999.
- [5] Boite Anuradha, "Women Employment and Rural Development", New Delhi, Gian Publishing House, 2002.