



Prospects of Women Entrepreneurship in India: Past, Present and Future

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Abstract:

Promotion of women entrepreneurs requires a multi-pronged approach. Women should be motivated to come out of their traditional occupation for accepting more challenging economic activities. Concurrently, an environment should be prepared by the government and non-government agencies to enable their participation. The elaborate procedure of licensing and government sanction for establishing a new business enterprise should be dispensed with, in case of women entrepreneurs. The promotional and regulatory agencies should also be motivated to be considerate, understanding and helpful to women entrepreneurs. In more explicit terms, banks and other financial institutions must provide credit to women entrepreneurs on both priority basis and concessional terms. Appropriate training, tax concessions, market subsidies, low interest rates etc., are some of the push factors which help women to reach the mainstream of national economy. These suggestions, if implemented in right earnest will certainly contribute for the development of entrepreneurship among Indian women.

Key words: women entrepreneurs, astronaut, discrimination

Introduction

Women constitute almost half of the total population in the world. But their representation in gainful employment is comparatively low. For centuries, women became victim of social prejudices and discrimination. Even today, parents prefer male child to female. Women in traditional societies are still confined to the four walls of their home, children, household affairs and family rituals. Very few get the opportunity to come out of the four walls to enter into an occupation of their choice. In several developing countries marriage and family life is the only career for most women.

Traditionally it was believed that women are physically and mentally weak and hence, they are not fit for hazardous or risky tasks. However, with the increasing empowerment of women in the world, now no job, profession or enterprise is such which women cannot

undertake. In recent years women have made their mark in different walks of life and are competing successfully with men despite the social, psychological and economic barriers. This has been possible due to education, political awakening, urbanization, legal safe-guards, social reforms, etc. Of course, there are a number of successful women role models starting from an efficient Prime Minister Indira Gandhi to astronaut Sunitha Williams who excelled in their respective fields with strong determination. Women have distinguished themselves in many unconventional fields as Prime Minister, Chief Ministers, Governors, Vice-Chancellors, ambassadors, scientists, pilots, administrators and even entrepreneurs.

Entrepreneurship is considered as one of the most important factors contributing to the economic development of the society. Promotion of entrepreneurship among women is a



major step to increase women participation in economic development. Although women constitute half of the total population in the world, their participation in economic activities are relatively low. For centuries, women became victim of social prejudices and discrimination. Women in traditional societies are still confined to the four walls of their home, children, household affairs and family rituals. In several developing countries marriage and family life is the only career for most women. However, with the increasing empowerment of women in the world, now no job, profession or enterprise is such which women cannot undertake. In recent years women have made their mark in different walks of life and are competing successfully with men despite the social, psychological and economic barriers. This has been possible due to education, political awakening, urbanization, legal safe-guards, social reforms, etc. Women have distinguished themselves in many unconventional fields as Prime Minister, Chief Ministers, Governors, Vice-Chancellors, ambassadors, scientists, pilots, administrators and also as entrepreneurs.

Entrepreneurship is today a buzzword in the changing economy. It is a purposeful activity initiating, promoting and maintaining economic growth. Entrepreneurship is not new to our culture. What it needs today is to nurture this spirit and instill it in the present and coming generations of both men and women. It is said that if a man starts a business venture he only becomes the entrepreneur, while when a woman takes to entrepreneurship the whole family becomes entrepreneurial in its behaviour and outlook. The low status of women in the society mostly stems from

their low economic status and subsequent dependence on men and lack of decision-making power. Therefore, if women gain economic strength, they gain visibility and voice. With the economic restructuring and societal acceptance in the modern days, women have started establishing and running enterprises successfully. Though women entrepreneurship is in its infancy and transition period, it is all set to go a long way.

Women Entrepreneurship in the Global Environment

In the advanced countries of the world, where the supporting conditions have been favourable there is a phenomenal increase in the number of self-employed women entrepreneurs. There exists a congenial climate for women entrepreneurship in these countries which have witnessed rapid industrial growth. In the United States women entrepreneurs have emerged as the fastest growing group of entrepreneurs. They own 25 percent of all business in the country. In Canada, women own one-third of small businesses and in France it is one-fifth. Women entrepreneurs have been making a significant impact in all segments of the economy in Canada, Great Britain, Germany, Australia and the U.S. However, the growth rate in women owned enterprises in some of the developing countries are higher as compared to the developed countries. The ILO statistics shows a growth rate of 24 percent in Malaysia, 30 percent in Thailand, 36 percent in Philippines and 42 percent in Indonesia. The areas chosen by women are retail trade, restaurants, hotels, education, cultural, cleaning, insurance and manufacturing.



The Global Entrepreneurship Monitor (GEM) study has estimated the highest levels and lowest levels of entrepreneurship among women in different countries during 2002 which can be seen from table 1.

Table 1: Levels of Women Entrepreneurship

Highest Levels		Lowest Levels	
Thailand	(18.5 percent)	Japan	(0.6 percent)
India	(14.1 percent)	Belgium	(1.5 percent)
Argentina	(11.5 percent)	Russia	(1.6 percent)
Brazil	(11.1 percent)	Croatia	(1.8 percent)
China	(11.0 percent)	France	(2.1 percent)
New Zealand	(10.6 percent)	Hong Kong	(2.3 percent)
Mexico	(10.3 percent)	Spain	(2.6 percent)
China	(9.5 percent)	Sweden	(2.6 percent)
Korea	(8.6 percent)	Singapore	(2.7 percent)
U.S	(8.1 percent)	Slovenia	(2.9 percent)

Source: The Global Entrepreneurship Monitor Study, 2003.

Women Entrepreneurship in India

Participation of women in entrepreneurial activities in India is comparatively a recent phenomenon. Women participation in entrepreneurship has increased from 4 percent in 1980 to 13 percent in 2000. Figures relating to 1990 reveal that there are around 1,54,000 women entrepreneurs claiming 9.01 percent of the total 1.70 million entrepreneurs in the country. By 1995-96 this number rose to 2,95,680 claiming 11.2 percent of the total 2.64 million entrepreneurs in India. Economic, social, cultural and psychological factors have not been favourable to entrepreneurship development in India, in general and development of women entrepreneurship in particular. Non-availability of employment opportunities to women in the organized sector, large scale illiteracy among women (46 percent) compared to their male counterparts (25 percent), their much lower work participation rates (30 percent) and nearly 70 percent of the female population still residing in the rural areas are some of the facts and

figures confirming the comparatively disadvantageous position of the Indian women. Added to these are our age-old socio-cultural taboos arresting the Indian women still within the four walls of their houses. Given these unfavourable conditions, development of women entrepreneurs in India has so far been limited and low.

In India, marriage and family life have been the only career for most women. Even those professionally involved have been confined to selected areas such as teaching, office work, nursing, medicine etc. Rarely they entered professions like business, industry, trade and engineering. However, the modern Indian women especially in the cities are exposed to education and training. Over the years the educated women have become ambitious, acquired basic skills, competency and self-assurance. Experience has shown that women have excelled in the jobs which were hitherto the monopoly of men. However, women entry into business is a recent



phenomenon in India and it could be traced out as an extension to their kitchen activities. Spread of education among women and growing awareness about business during the recent past have led to their large scale participation in business activities and their proven capabilities in many sectors. Due to the encouragement given by the government as well as the other positive factors, the number of women entrepreneurs is growing but slowly. However, compared to the elite, educated and upper-middle class women especially in the cities and towns, the number of women entrepreneurs belonging to the rural areas is very small.

The hidden entrepreneurial potentials of women have gradually been changing with the growing sensitivity to the role and economic status in the society. Women are increasingly becoming conscious of their existence, their rights and their work situations. Today women entrepreneurs represent a group of women who have broken away from the beaten track and are exploring new avenues of economic development. The emergence of women entrepreneurs and their contribution to the national economy is quite visible in India. The number of women entrepreneurs have grown over a period of time and it is clear that the percentage is increasing every year. If prevailing trend continues it is not unlikely that in another five years women will comprise about 20 percent of the total entrepreneurial force in India. Today, we find women in different types of industries, traditional as well as non-traditional such as engineering, electronics, ready-made garments, fabrics, handicrafts, doll-making, poultry, plastics, soap, ceramics, printing, toy-making, nurseries, crèches, drugs, textile designing, dairy, canning, knitting,

jewellery design, fancy items, beauty parlours etc. Self-motivation, social status, dynastic compliance, natural succession, government incentives and encouragement, fulfilling their own spouse dreams, inspiration from other's success, the challenge and adventure to do something new, liking for business, wanting to have an independent occupation and the need for additional income to maintain high living standards are some of the attractive leverage for women to start their own enterprises.

Successful Women Entrepreneurs:

Women in business and management have more choices than ever before and are able to clearly define their goals for accomplishing success. India has a number of noted women entrepreneurs who have made a mark on the national and international scene and made a name for themselves. Amaraj Aga- Chairperson of Thermax Power Ltd., Sulayaja Motwani- MD of Kinetic Engineering, Kiran Mazumdar Shaw- Chairperson of Biocon, Hema Ravichandar – Senior Vice-President, Infosys Technologies, Sangita Singh- Vice-President, Wipro Technologies, Preethi Reddy-MD of Apollo Hospitals Group, Shahnaz Hussain –CMD of Shahnaz Hussain Group of Herbal Beauty Products, Ekta Kapoor-Creative Director of Balaji Telefilms are few to name from among a big list of successful and powerful Indian women entrepreneurs. It is interesting to note that since the inception of the national awards to small entrepreneurs instituted in 1983, ten women entrepreneurs have received special recognition awards from the Government of India. These women entrepreneurs have attributed their success in their enterprise to hard work, dedication, determination, and self-confidence. Most



important factor is their compelling urge of wanting to do something positive to prove themselves. The 25 leading women entrepreneurs in India in 2004, according to the study made by Business Today is presented in table 2. These 25 individuals

lend credence to the fact that it is not just the idea which is required to be successful. They thrived in an environment that was conducive to and nurturing of the entrepreneurial spirit.

Table 2: Leading Women Entrepreneurs in India

1	Amrita Patel(60)	Chairperson, National Dairy Development Board
2	Anu Age(62)	Chairperson, Thermax
3	Chanda Kochhar(42)	Executive Director, ICICI Bank
4	Dipti Neelakantan(46)	Chief Operating Officer, J.M. Morgan Stanley
5	Gita Piramal(50)	Managing Editor, Smart Manager & Director, Corp. Comm., Blow Plast
6	Hema Ravichandar(43)	Senior Vice-President and Group Head, HRD, Infosys Technologies
7	Kalpana Morparia (55)	Deputy Managing Director, ICICI Bank
8	Kavita Hurry (42)	Managing Director, ING Vysya Mutual Fund
9	Kiran Mazumdar-Shaw (51)	Chairperson and Managing Director, Biocon
10	Lalita Gupta(55)	Joint Managing Director, ICICI Bank
11	Madhabi Puri Buch(38)	Country Head, Operations & Service Delivery, ICICI Bank
12	Mallika Srinivasan(44)	Director, Tractors and Farm Equipment
13	Naina Lal Kidwai(47)	Deputy CEO, HSBC
14	Preetha Reddy (47)	Managing Director, Apollo Hospitals Group
15	Priya Paul(38)	Chairperson, Apeejay Surrendra Park Hotels
16	Renu Karnad(52)	Executive Director, HDFC
17	Renuka Ramnath(43)	CEO, ICICI Venture
18	Shobhana Bhartia(47)	Vice-Chairperson, The Hindustan Times
19	Shikha Sharma(46)	CEO, ICICI Prudential Life Insurance
20	SulajjaFirodia Motwani (34)	Joint Managing Director, Kinetic Engineering
21	Sunita Narain(43)	Chairperson, Centre for Science and Environment
22	Swati Piramal (48)	Head, Strategic Alliances and Comm., Nicholas Piramal
23	Vedika Bhandarkar(36)	MD & Head, Investment Banking, J.P. Morgan India
24	Vidya Chhabria(54)	Chairperson, Jumbo Group
25	Zia Mody (48)	Corporate Lawyer, AZB & Partners

Source: Business Today, September, 2004. Note: Names are mentioned in alphabetical order and figures in parenthesis indicate age of women entrepreneurs.

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Problems of Women Entrepreneurs

The basic problem or difficulty of a women entrepreneur is that she is a woman. This pertains to her responsibility towards family, society and work. The attitude of society towards her and constraints in which she has to live and work are not very conducive. The attitude of men is not only tradition-bound but even of those who are responsible for decision making is not of equity. This attitude of reservation creates difficulties and problems to women entrepreneurs at all levels, i.e., family support, training, banking, licensing and marketing. Research investigation states women's experiences of starting and running business that although their motivations are very similar to those of male entrepreneurs, many of the barriers and constraints that they experience are gender specific.

Women entrepreneurs encounter two types of problems in setting-up and running their enterprises. Firstly, they face the general problems, faced by all entrepreneurs and secondly, the problems specific to women. The general

problems relate to raw materials, operations, marketing, finance, infrastructure, manpower, promotional procedures, difficulties in availing government concessions and subsidies etc. Problems specific to women are lack of economic independence and autonomy, family ties and responsibilities, social attitudes, less risk-bearing capacity, low access to government support, feeling of insecurity, poor managing ability, lack of education, lack of technical skills, lack of sufficient business training, lack of business information and experience etc. Some of the problems have been overcome by women entrepreneurs due to the technological advancement and information technology explosion. However, along with the technological and IT revolution, mental revolution of the society is required to provide a democratic platform for women entrepreneurship.

Prospects of Women Entrepreneurs

The women entrepreneurship movement has taken-off the ground and it is felt that the movement has crossed the stage of transition. It is only during the last 15 years, women have started becoming entrepreneurs and started industries and business and they are yet to go a long way to be on par with men. The new industrial policy of Government of India has stressed the need for conducting special entrepreneurship programmes for women. Product and process-oriented courses are to be conducted to enable women to start small scale industries. The policy further adds that the objective of such courses should be to give representation to women in the field. So, small industry development is a step to uplift women entrepreneurs status in the economic and social fields. The new industrial policy concedes, that



merely making large resources allocation for women within the prevailing pattern and structure of development would not yield the desired results. The policy has the strategy for the holistic development of women.

In India, several institutional arrangements have been made to protect and develop women entrepreneurship. The nationalized banks and State Financial Corporations advance loans to women entrepreneurs on preferential basis. State Industrial Development Corporations and District Industrial Centres provide loans, subsidies and grants to small scale women entrepreneurs. State level agencies assist women entrepreneurs in preparing project reports, purchasing machinery, hiring of buildings and training staff. The Ministry of Industry has taken the initiative to train one lakh women entrepreneurs to take up trade related activities in six selected project lines such as processed food, forest produce collection, leather, readymade garments and coir.

With the growth of women entrepreneurs a few associations of women entrepreneurs have been set-up both at international and national levels to create a congenial environment for developing women entrepreneurship in rural and urban areas. Some of the associations of women entrepreneurs in India are Women Entrepreneurs Wing of NAYE, Indian Council of Women Entrepreneurs, FICCI Ladies Organization (FLO), National Commission on Self-Employed Women in the Informal Sector, World Association of Women Entrepreneurs (WAVE) and Associated Country Women of the World (ACWW). In addition to the above, there are State level associations of women entrepreneurs.

Government Initiatives

The Government of India has been encouraging self-employment and has started several schemes to promote entrepreneurship among women. Various income generating schemes like Support to Training and Employment Programme (STEP), Swavalambana Socio-Economic Programme, Pradhan Mantri Gram Swarozgar Yojana, Pradhan Mantri Shahri Swarozgar Yojana, Jana Shikshan Sansthan (JSS) etc. have been launched to this end. Women are encouraged to organize and form Self Help Groups (SHGs) and Cooperatives which undertake activities to generate income for the most vulnerable groups of women. Rastriya Mahila Kosh (RMK) was set up to provide loans to these women who could then become self employed by establishing their own business or small scale enterprises. Women's Development Corporations, operating in a few States in India are promoting entrepreneurship among women at the grass root level. In this way, women at the grass roots and other levels, who are managing small-scale industries and enterprises are becoming economically empowered.

Government Policy since 2004 is giving more emphasis to SSI units and many easy and innovative schemes are launched through commercial banks / financial institutions to promote women entrepreneurship.

- Promoter's equity / margin are reduced for women
- Concession in rate of interest is provided
- Seed capital schemes like National Equity Fund Scheme, wherein interest free equity type of assistance upto 25 percent of project cost is provided.



- Self Help Groups special schemes are available for women with public sector banks to start SSI units extending concessional rate of interest and low margin and longer repayment period.
- The Small Industries Development Banks of India (SIDBI's) has special schemes for financial and managerial assistance for women entrepreneurs which are opened through State Financial Corporations(SFC's), State Industrial Development Corporations (SIDC's), Commercial Banks, State Cooperative Banks and Regional Rural Banks. SIDBI refines these institutions to the extent of the assistance they provide. SIDBI's, Mahila Udyan Nidhi (MUN) is operated through commercial banks exclusively for women to set up SSI units and to start service activities.
- Bank of India's Priyadarshini Yojana provides long term and working capital assistance to the women entrepreneurs.
- Industrial Development Bank of India (IDBI's), Mahila Vikas Nidhi (MVN) Scheme provides seed capital assistance to women entrepreneurs intending to set up projects in SSI sector.
- State Bank of India's Stree Shakti package to develop entrepreneurship among women, conducting Entrepreneurial Development Programmes (EDP) for women and providing financial assistance to them.
- Women entrepreneurs are also eligible for finance under the government sponsored programmes and non-government organizations such as Prime Minister's Rozgar Yojana (PMRY), Self Employment Programme for Urban Poor

(SEPUP), Integrated Rural Development Programme (IRDP), Federation of Societies of Women Entrepreneurs (FSWE), Development of Women and Children in Rural Areas (DWCRA), Training of Rural Youth for Self Employment (TRYSEM) etc.

Conclusion

Today there is a greater awakening among women. They have become more achievement-oriented and career-minded. Given an opportunity, they will deliver the results. In education, they have not only excelled but also became the top rankers. In office and industry, they have shown brilliant results. The need of the hour is to provide an opportunity for women entrepreneurs, free from gender differences. On their own, Indian women entrepreneurs with a determined effort should overcome their physical and psychological shortcomings and then they can fight with the social taboos imposed upon them. They must be ready to take-up new ventures and new responsibilities. Infact, by nature women are gifted with super qualities like good communication skills, generosity, commitment to work, stress-bearing capacity and adaptation to the changing environment. They have the potential and the will to establish and manage enterprises of their own. What they need to excel in their role as an entrepreneur is encouragement and support.

With corporates eager to associate and work with women-owned businesses and a host of banks and non-governmental organisations (NGOs) keen to help them get going, this is a very good time for women with zeal and creativity to start their own business. While some of the women entrepreneurs have demonstrated their potential, the fact remains that they are capable of



contributing much more than what they already are. In order to harness their potential and for their continued growth and development, it is necessary to formulate appropriate strategies for stimulating, supporting and sustaining their efforts in this direction. Such a strategy needs to be in congruence with field realities and should especially take cognizance of the problems women entrepreneurs face within the current system. If family members, government and non-government agencies assist and encourage women in this mission there is no doubt to affirm that today's Indian women entrepreneurs will play dominant role in making India number one globally tomorrow.

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