



ISSN: 2230-9926

Available online at <http://www.journalijdr.com>

IJDR

**International Journal of
DEVELOPMENT RESEARCH**

International Journal of Development Research
Vol. 5, Issue, 05, pp. 4275-4279, May, 2015

Full Length Research Article

WOMEN ENTREPRENEURSHIP: AN EFFECTIVE AND POSSIBLE APPROACH FOR WOMEN EMPOWERMENT

***Dr. Neha Pandey**

Department of Home Science, Ch. Charan Singh PG College, Heonra- Etawah, Uttar Pradesh

ARTICLE INFO

Article History:

Received 02nd February, 2015
Received in revised form
13th March, 2015
Accepted 18th April, 2015
Published online 25th May, 2015

Key words:

Women,
Entrepreneur,
Entrepreneurship,
Entrepreneurship development,
Empowerment,
Empowerment of Women

ABSTRACT

In India, women have remained as a neglected section of work force. Women are lagging behind men mainly because of the relative absence of economic opportunities and minimal participation in decision making process. Educational backwardness is another major reason why women are lagging behind men. The participation of women in professional and technical work force is low. Therefore, the organizations concerned with the development of women considered empowerment of women as a solution to these problems. The specialists in economic development have considered entrepreneurship development as a possible approach to empower women. Women entry into business and entrepreneurship is traced out as an extension of their kitchen activities mainly to 3Ps, viz., Pickles, Powder and Pappad. Women in India plunged into business for both pull and push factors. Pull factors imply the factors which encourage women to start an occupation or venture with an urge to do something independently. Push factors refers to those factors which compel women to take up their own business to tide over their economic difficulties and responsibilities. With growing awareness about business and spread of education among women over the years, women have started shifting from 3 Ps to engross to 3 modern Es, viz., Engineering, Electronics and Energy. They have excelled in these activities. Women entrepreneurs are manufacturing solar cookers in Gujarat, small foundries in Maharashtra and T.V. capacitor (Vasant Desai, 1992). Despite the best efforts of government and non- government organizations, the women entrepreneurs have been facing many problems. Vyas and Swamy (2002) and Hookimsing and Essco (2003) reported that lack of business background, mobility in business, lack of market, lack of knowledge about accounting system, inadequate personal contacts in business sector and difficulty in receiving the money from the consumer were some of the major problems faced by women entrepreneurs. It has been pointed out by many research studies that more than 70 percent of the problems faced by the women entrepreneurs are related with credit. Government and non-governmental organizations should encourage women making more focused, directed efforts and initiate specific programmes for women entrepreneurship development. The problem of co-ordination amongst the development agencies may be solved to a certain extent provided the meetings of co-ordination committees are held periodically and necessary follow up actions are taken. The government of India should also make compulsory technical education and training for women.

Copyright © 2015 Dr. Neha Pandey. This is an open access article distributed under the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

INTRODUCTION

In India, women have remained as a neglected section of work force. Women are lagging behind men mainly because of the relative absence of economic opportunities and minimal participation in decision making process. Educational backwardness is another major reason why women are lagging

behind men. The latest census reports (Census of India, 2011) revealed that women literacy rate in India was 65.46 per cent, as compared to the male literacy rate of 82.14 per cent. The participation of women in professional and technical work force is low. Therefore, the organizations concerned with the development of women considered empowerment of women as a solution to these problems.

***Corresponding author: Dr. Neha Pandey**
Department of Home Science, Ch. Charan Singh PG College,
Heonra- Etawah, Uttar Pradesh

Empowerment is a process of awareness and capacity building, leading to a greater participation and decision making power. The process of empowerment strengthens their innate ability

through acquiring knowledge, power and experience (Murugan and Dharmalingam, 2000). The status of women, they must be empowered socially, economically and politically. Empowerment can serve as a powerful instrument for women to achieve upward social and economic mobility and to achieve power and status in the society. The tenth five year plan (2002-07) has made a major commitment towards empowering women as the agent of socio-economic change and development. Based on the recommendations of the committee on National Policy for Empowerment of Women, the tenth plan has suggested a three-fold strategy for uplifting the status of women through *social, economic and political empowerment*.

The specialists in economic development have considered *entrepreneurship development* as a possible approach to empowerment of women. A woman as an entrepreneur is economically more powerful than as a mere worker, because ownership not only confers control over assets but also gives her the freedom to take decision. Participation of women in economic activities is now emerging as a universal phenomenon. Alternatively stated, women are increasingly joining the world labour market and also assuming the role of entrepreneurs all over the world. In India too, significant changes in women's rate of participation in the economy are taking place with the pace of liberalization and privatization sweeping across the country. The role of women as entrepreneurs and economic workers are already visible, the enterprising women are relatively a new breed of women in India.

The word *entrepreneurship* appeared first in French. In the early 16th century men engaged in leading military expeditions were referred as entrepreneur. Around 17th century the term was used for architects and contractors of public works. With the growing realization for entrepreneurship in the state of dragon of unemployment in the country, it is given more importance and the stress and emphasis is now more upon women entrepreneurs as their contribution, participation and percentage is very low. Today there is greater awakening among women. Given an opportunity, they will deliver the better results than men. Educating women is absolutely essential in strengthening her personality. It is therefore, encouragement to the growing intensity of motivation amongst educated young women for coming in the entrepreneurial stream and extend support with scientifically designed package of technical and financial assistance. Hence, an integral approach is necessary for making the movement of women entrepreneurship as a success. For this both government and non government institutions have to play a vital role.

The Concept of Women Entrepreneurship

According to government of India, a woman entrepreneur is defined as "*an enterprise owned and controlled by a woman and having a minimum financial interest of % =percent of the capital and giving at least % =percent of the employment generated in the enterprise to women.*"

"Women entrepreneurship can be defined as a purposeful activity of a woman or a group of associated women

undertaken to initiate, maintain or organize a profit oriented business unit for the production or distribution of economic activities." Behind every successful women entrepreneur there is a long story of trials in climbing the hard way. Recent study shows that many countries of the world women entrepreneurs have been making a significant impact in all segments of the economy. The area chosen by them are retail trade, restaurants, hotels, education, cleaning, insurance and manufacturing. They had made their business for the following reasons:

1. They want new challenges and opportunities for self fulfillment.
2. They want to prove their mettle in innovative and competitive jobs.
3. They want the change to control the balance between their family responsibilities and their business lives (Vasant Desai, 1992).

Women Entrepreneurship in India

In India women entry into business is a new phenomenon. Women entry into business and say, entrepreneurship is traced out as an extension of their kitchen activities mainly to *3Ps*, viz., *Pickles, Powder and Pappad*. Women in India plunged into business for both *pull* and *push factors*. *Pull factors* imply the factors which encourage women to start an occupation or venture with an urge to do something independently. *Push factors* refers to those factors which compel women to take up their own business to tide over their economic difficulties and responsibilities. With growing awareness about business and spread of education among women over the period, women have started shifting from *3 Ps* to engross to *3 modern Es*, viz., *Engineering, Electronics and Energy*. They have excelled in these activities. Women entrepreneurs are manufacturing solar cookers in Gujarat, small foundries in Maharashtra and T.V. capacitor (Vasant Desai, 1992). Women, who constitute around 50 per cent of human, continue to remain socially, economically and politically looked down. Contrary to that women have to be empowered to become equal partners in the household as much as in the society.

Findings reveal that Prasad and Rao (1991) conducted a study on Socio-Economic Background of Women Entrepreneurs and observed that the women (44 per cent) in the age group of 30-40 have started good number of units followed by women (36 per cent) aged 40-50. Regarding marital status, it was observed that of all the women entrepreneurs, 90 per cent women entrepreneurs were married and among them, 72 per cent were found to be from nuclear families. Further, it was observed that most of the industries set-up by women were graduates (56 per cent) followed by technically qualified women (44 per cent). Regarding the significance of family contacts & the experience of the entrepreneurs, it was observed that the women entrepreneurs who have greater contacts with government agencies and financial institutions could establish more number of units (57.6 per cent). Women entrepreneurs (59.2 per cent) also told that the identity in the society and self esteem was one of the basic motivating factors for setting a unit. Majority of women (60 per cent) mentioned husband as a motivator and work experience as another contributory factor

by 40 per cent women. As far as the capital employed and return on capital employed were concerned, (52 per cent) of them opted units with a capital of Rs.500, 000 or less followed by 25.6 per cent with a capital of Rs. 500,000-Rs.1000,000. The return on the capital employed was also more for the units whose capital was less than Rs. 500, 00 followed by Rs. 500, 00- Rs.10, 00,000. It was observed that with less investment they were deriving more profits.

Women Participation in Different Sector

Depending on number of factors ranging from landholdings, subsidiary occupations, agro climatic conditions and socio-personal characteristics of the rural women and her family member the areas of women participation in different sector also differ from place to place. These are classified under three major heads:

1. Agriculture and allied activities like cultivating to organic vegetables, flowers, oil seeds and seed production are some of the areas besides taking up mushroom growing and bee keeping. Some more areas can be like dehydration of fruits and vegetables, canning or bottling of pickles, chutneys, jams, squashes, dairy and other products that are ready to eat.

2. Livestock management activities Acharjee *et al.* (2001) found that type of enterprises women took up were dairy, poultry and fishery farming, livestock feed production and production of vermi compost. Production of vermi composting using the animal waste can be an important area in which women can utilize both her technical skills and raw materials from the farm and livestock to earn substantial income and small scale agro-processing units.

3. Household based operations like knitting, stitching, weaving, embroidery, bakery and flour milling, petty shops, food preparation and preservation. Mamatha and Hiremath (2002) observed that the active participation of the farm women in the household, farm and nonfarm activities was higher among in the age group of 25-45 years, in almost all the categories of families, especially in small, artisan and labour category. The proportion of farm women participating in the farm, nonfarm and household activities would decline with the advancement in their age.

Role of Financial Institutions

Prasad and Rao (1991) found that many financial institutions help to guide for the promotion, growth and development of women entrepreneurship. They were Industrial Finance Corporation of India (IFCI) which extend interest subsidy schemes, State Bank of India- *Stree Shakti Package*, *Mahila Udyam Nidhi (MUN)* and *Stree Jyoti Scheme* etc.

NABARD & Woman Entrepreneur

National Bank for Agriculture and Rural Development (NABARD) was established as an apex rural development bank in the year 1982, through an Act of Parliament, to provide refinance for agriculture, allied activities, small scale industries, cottage and village industries, rural artisans and crafts in an integrated manner.

NABARD has been providing promotional grants to NGOs for various programmes such as mother units, common facility centres, training including skill up gradation and entrepreneurship development, marketing etc., under exclusive women and other schemes from its "Rural Promotion Corpus Fund". In the district of Birbhum, till date three Rural Entrepreneurship Development Programme (REDP) have been conducted and few more are in the pipeline. One month special training programme to rural artisans (mostly women) engaged in Sola Pith and Kanata Stitch works have been conducted in collaboration with National Institute of Fashion Technology, Kolkata. In India, NABARD a pioneer in agriculture credit activities in the country was the first to notice the potential of an SHG bank linkage program SBLP. In 1996, NABARD launched a nationwide pilot project to link the SHGs to the bank. In 1998, NABARD partnered with the Deutsche Gesellschaft fur Technische Zusammenarbei (GTZ) Rural Financial Institutions Programme, which aims to improve the assess of rural populations to sustainable, quality financial services in support of the SHGs bank linkage program. Since this partnership began, microfinance has been steadily spreading through the SHGs in India. The total number of bank linked SHGs in India grew from 4,757 in March 1996 to 1,374,917 in March 2007.

Constraints Faced by Women Entrepreneurs

All the problems of women entrepreneurs can be broadly classified under two heads viz., *internal problems* & *external problems*. *Internal problems* includes lack of family support, choice of idea, poor planning, poor project implementation, poor management, less production, poor quality of production, lack of marketing-facilities, lack of finance, under capacity utilization. The *external problem* includes defective and improper location, lack of physical facilities, lack of working capital, lack of transportation support, lack of communication facilities, lack of institutional support, lack of export marketing support. Vyas and Swamy (2002) reported that lack of business background, mobility in business, lack of knowledge about accounting system; no personal contacts in business, difficulty in receiving the money from the consumer were some of the major problems faced by women entrepreneurs.

Hookimsing and Essoo (2003) found the barriers faced by women entrepreneurs were the hassle of getting permits, lack of market, the ability to raise capital and not being taken as seriously as men. Huq (2005) studied Women Entrepreneurship Development in Chittagong and reported that the majority of the enterprises were of sole-trader ships, engaged mainly in manufacturing, trade and business, service and finance and were of small type. The study also reveals that the vast majority of the enterprises achieved success considering the viewpoints of management efficiency, quality of products/ services, attractive location, skilled workers, creating goodwill etc. The selected enterprises have to face some major problems while establishing, operating, and managing their enterprises. These were lack of institutional loans, adequate entrepreneurial knowledge, congenial law and order situations, formal education and training, adequate government and non government assistances, congenial working environment, autonomy and freedom; huge credit sales with heavy bad debts; family obstacles, etc.

Schemes for the Development & Promotion of Women Entrepreneurs

I. Trade Related Entrepreneurship Assistance and Development Scheme for Women (TREAD)

There are three major objectives of the scheme:

(a) GOI grant upto 30 per cent of the total project cost to the Non-Government Organisations (NGOs) for promoting entrepreneurship among women. The remaining 70 per cent of the project cost is financed by the lending agency as loan for undertaking activities as envisaged in the project.

(b) GOI grant upto Rs.1 lakh per programme to training institutions / NGOs for imparting training to the women entrepreneurs, subject to these institutions/NGOs bring their share to the extent of minimum 25 per cent of GOI grant and 10 per cent in case of NER.

(c) Need-based GOI grants upto Rs.5 lakh to National Entrepreneurship Development Institutions and any other institutions of repute for undertaking field surveys, research studies, evaluation studies, designing of training modules etc.

II. Micro & Small Enterprises Cluster Development Programme

A. Existing Clusters: A cluster is defined as a group of enterprises, ideally having upto 100 members, producing same/similar products/services. While 100 members could be the minimum per cluster, depending on the density of population and other factors, even 200-300 could be a good target group for undertaking diagnostic study and the subsequent soft interventions in a cluster.

Type of Interventions

(a) **Soft Interventions:** Capacity building activities in the cluster where no fixed assets is acquired or formed. Soft interventions, inter alia include: diagnostic study, forming association trust building and developing identity, capacity building, organizing workshops, seminars. In the past depending upon the type of cluster, assistance available for soft interventions has varied in the range of Rs.25 – 35 lakh per cluster. Currently we have an internal ceiling of Rs.10 lakh for soft intervention under this scheme.

(b) **Hard Interventions:** Setting up of common facility centre (CFCs), mini tool room, design centre, testing facilities, training centre, research and development centre. In case of the hard intervention the contribution from the M/o MSME varies between 30-80 per cent of the total project cost, but in the case of clusters owned and managed by women entrepreneurs, contribution of the M/o MSME could be upto 90 per cent of the project cost.

B. Create Physical Facilities: To create physical infrastructure exclusively for women enterprises central grant of 40 per cent of the project cost subject to a maximum of Rs.2 crore is available. The Ministry of MSME is making efforts to

enhance the quantum of grant to 80 per cent in a project of Rs.10 crore.

III. Credit Guarantee Fund Scheme for Micro and Small Enterprises

The Scheme was launched in August 2000 to ensure better flow of credit to micro and small enterprises by minimizing the risk perception of financial institutions and banks in lending without collateral security. Under the scheme, guarantee cover is provided to collateral free credit facility extended by member lending institutions (MLIs) to the new as well as existing micro and small enterprises on loans up to Rs.50 lakh. The guarantee cover available is up to 75 per cent of the loans extended. The extent of guarantee cover is 80 per cent for (i) micro enterprises for loans up to Rs.5 lakh; (ii) MSEs operated and/or owned by women; and (iii) all loans in the North-East Region. The lending institutions availing guarantee from the Trust have to pay one time guarantee fee of 1.5 per cent and service charges of 0.75 per cent per annum of the credit facility sanctioned. For loans up to Rs.5 lakh, the onetime guarantee fee is 1 per cent and service charges are 0.5 per cent per annum of the credit facility sanctioned.

IV. Support for Entrepreneurial & Managerial Development

(a) 22.5 per cent of total target of ESDPs/EDPs are conducted exclusively for SC, ST, women and physically challenged persons with a stipend of Rs. 500/- pre month per candidate under the promotional packages for MSEs.

(b) No fee is charged from SC and ST and 50 per cent fee for women and PH candidates who attend the ESDP /EDP /MDP courses conducted for general candidates.

V. Exhibitions for Women Under Promotional Package for Micro & Small Enterprises Approved by CCEA Under Marketing Support

DC (MSME) has formulated a scheme for women entrepreneurs to encourage small and micro manufacturing units owned by women and register in DI/DIC in their efforts at tapping and developing overseas markets, to increase participation of representatives of small/micro manufacturing enterprises under MSME stall at International Trade Fairs/Exhibitions, to enhance export from such units. Under this scheme, participation of women entrepreneurs in 25 international exhibitions is envisaged during the 11th Plan (2007-2012).

Conclusion

This paper reveals that for the upliftment of women, entrepreneurship is the best way to empower women socially, economically and politically and it not only empower the women but give them equal opportunity to stand side by side with men in every field of life. This will also build up their family status and self confidence. For the development of the nation, also equal opportunity to all irrespective of sex is the need and demand of the time.

Suggestions

- Women have to be made compatible of both social and economical worlds and empower them towards self confidence and self reliance.
- Women have the need to put more efforts to change people attitude, to inspire women in the society at large, women have to be stimulated to take right kind of action at right time.
- The role of successful women entrepreneur in the field of entrepreneurship should be to help other women in starting and sustaining in their business whole heartedly.
- The government of India should make compulsory education for women.
- Technical education and training at all levels should be introduced (from primary to Master's level).
- The problem of co-ordination amongst the development agencies may be solved to a certain extent provided the meetings of co-ordination committees are held periodically and necessary follow up actions are taken.

REFERENCES

- Acharjee, S.K., Sarkar, R. and Haque, A. 2001. Prediction of the Level of Participation in Agricultural Enterprises of Rural Women in Medinipuri (East) District on Some Socio Economic and Motivational Factors. *Indian Research journal of Extension Education*, 1, pp. 38-47.
- Census Report, 2011. Literacy Rate in India, From Wikipedia, the free encyclopedia.
- Hookingsing and Eusso, 2003. Promoting Women Entrepreneurship in Mauritius: Strategies in Training and Development. SEED Working Paper No.58. ILO, Geneva.
- Huq, B. I. A. 2005. Women Entrepreneurship Development, A case study of some Women Entrepreneurs in Chittagong. *Pakistan Journal of Social Sciences* 3(1): 100-108.
- Mamatha, T. S. and Hiremath, G.K. 2002. Farm Women Potentiality in Income Generation in Tumkur District, *Rural India*, Feb- March, pp.56-60.
- Murugan, K. R. and Dharmalingam, B. 2000. "Self Help Groups- New Women's in Tamil Naidu." *Social Welfare*, 46:912.
- Prasad, A.G. and Rao, T.V. 1991. Socio-Economic Background of Women Entrepreneurs. A Case Study of Andhra Pradesh, pp.102-103.
- Schemes for the development and promotion of women entrepreneurs.* According to the Third All India Census of Small Scale Industries.
- Vasant Desai 1992. Dynamics of Entrepreneurial Development and Management Himalaya Publication House, pp.188-192.
- Vyas, R. and Swamy, D. 2002. Status of Problem of Women Entrepreneur: An Insight. Paper Presented in National Seminar on Empowerment of women from Better Health and Family Welfare at SVP University of Gujarat.
