ABSTRACT

Women entrepreneurship is gaining importance in India in the wake of economic liberalization and globalization. The policy and institutional framework for developing entrepreneurial skills, providing vocation education and training has widened the horizon for economic empowerment of women. However, women constitute only one third of the economic enterprises. There exist a plethora of successful business women entrepreneurs both in social and economic fields in India. The increasing presence of women in the business field as entrepreneurs has changed the demographic characteristics of business and economic growth of the country. Earlier most women were doing what came ‘naturally’, taking advantage of their so-called natural strengths, such as ‘listening’, sharing, building relationships, and creating a culture of collaboration. In the current scenario women-owned businesses enterprises are playing a more active role in society and the economy, inspiring academics to focus on this interesting phenomenon. The main focus of this paper is on analyzing the socio economic and motivating factors influencing women entrepreneurs, to list out the various avenues of governmental support and to enumerate the business related problems of women entrepreneurs.

KEYWORDS

Entrepreneurial Development, Women Entrepreneur, Socio Economic Background, Motivational factors, Economic Development.
INTRODUCTION

Entrepreneurial development today has assumed special significance, since it is a key to economic development. The objectives of industrial development, regional growth, and employment generation depend upon entrepreneurial development. Entrepreneurs are, thus the seeds of industrial development and the fruits of industrial development are greater employment opportunities to unemployed women, increase in per capita income, higher standard of living and increased individual saving, revenue to the government in the form of income tax, sales tax, export duties, import duties, and balanced regional development. In practice, entrepreneurs have historically altered the direction of national economies, industries or market. They have invented new products and developed organizations and the means of production to bring them to market. They have introduced quantum leaps in technology and more productive used. They have forced the reallocation of resources away from existing users to new and more productive users. Many innovations have transformed the society and altered our pattern of living, and many services have been introduced to alter or create new service industries.

Poverty eradication has been the major target of Small and Medium Enterprises (SME) in most developing countries. SMEs represent 80% of the industrial base of most developed countries (Mathew, 1999) and the role played by this sector in the economic development in these countries is very significant. The growth of SME Sector has been a dominant feature of Indian economic development strategy since independence (Neetubala, 2007). In modern India, SMEs have been successful and they have emerged vibrantly against the rising threats from large scale enterprises and multinational companies. SMEs constitute about 95% of the total industrial units and produce more than 7,500 products (Suryanarayana and Krishnamohan, 2005). According to the third census report (2002-2003) 3,40,202 entrepreneurs are in Tamil Nadu, of which 39,200 enterprises are situated in Chennai city, out of which 20% of enterprises (13,114) owned by women.

Of late women entrepreneurs play a pivotal role in economic development particularly in SMEs. In the bygone days, the percentage of women entrepreneurs was very low in rural and urban areas because of various factors. But, after the Second World War the number of women entrepreneurs has grown at a faster pace. In the United States, women entrepreneurs own 25% of businesses, one-fifth in France and one-third in Canada. In common parlance, women entrepreneurs play an indispensable role in all sectors. The Government of India has defined women entrepreneurs based on women participation in equity and employment of a business enterprise. Accordingly, a woman entrepreneur is defined as “an enterprise owned and controlled 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.” However, this definition is subject
to criticism mainly on the condition of employing more than 50% women workers in the enterprise owned and run by the women.

As per Khanka, women entrepreneurs are those women who think of a business enterprise, initiate it, organize, combine the factors of production, operate the enterprise, and undertake risks and handle economic uncertainty involved in running a business enterprise (Khanka, 2007). In India, women constitute around 48% of the population, but their participation in the economic activities is only 34% (Vinesh, 2014). As per the RBI report of July 2005, women entrepreneurs constitute 10.11% of the number of entrepreneurs in India. At present, SMEs are producing wide range of items with technology varying from traditional to state of art. SMEs providing employment to nearly 20 million persons, accounting for 40% of the value added in the manufacturing sector, 34% of total national export and 7% gross domestic product.

**Concepts of Entrepreneurship**

Entrepreneur” is a person who creates an enterprise. The process of creation is called as “entrepreneurship”. The word “entrepreneur” has been taken from French, where it was originally meant to designate an organizer of musical and other entertainment.

The word “entrepreneur” is derived from the French verb *entreprendre*, which means’ to undertake’. This refers to those who “undertook” the risk of new enterprises. In the earlier part of the 16th century, the French men who organized and led military expeditions were referred to as entrepreneurs.

In economics and commerce, an entrepreneur is an economic leader who possesses the ability to recognize opportunities for the successful introduction of new commodities, new techniques, and new sources of supply, and to assemble the necessary plant and equipment, management and labor force, and organize them into a running concern. Whatever be the economic and political setup of a country, entrepreneurship is essential for economic development.

Entrepreneurship can be defined as a process of action an entrepreneur undertakes to establish his enterprise. According to D.C. McClelland, entrepreneurship is doing things in a new and better way and decision-making under the condition of uncertainty. Benjamin Higgins has defined entrepreneurship as the function of foreseeing investment and production opportunity, organizing an enterprise to undertake a new production process, raising capital, hiring labor, arranging for the supply of raw materials, and selecting to managers for the day-to-day operation of the enterprise.

**Characteristics of Woman Entrepreneur in India**

A woman entrepreneur assembles, co-ordinates, organizes and manages the other factors namely land, labor and capital. She is clear and creative in decision making
process. A woman entrepreneur is one who incubates new ideas, starts her enterprise with these ideas and provides added value to society based on her independent initiative. A distinguishing feature of a woman entrepreneur is the willingness to work hard. She follows the principle, “Hard-work is the key to success” and is an achievement oriented lady but not one who is money hungry. Creative and analytical thinking are the key skills of women entrepreneurs. In addition she is intelligent, adaptable and a quick problem solver. Leadership quality is one of the most important characteristic of a woman entrepreneur. It is the process of influencing and supporting others to work enthusiastically towards achieving objectives.

OBJECTIVES OF THE STUDY

- To study the socio-economic background of women entrepreneurs.
- To understand the factors motivating women entrepreneurs.
- To examine the extent of governmental and institutional support rendered to women entrepreneurs
- To analyze the business related problem of women entrepreneurs.
- To suggest remedial measures, discuss findings and conclusions.

METHODOLOGY

To achieve the above noted objectives, extensive use of libraries was made. This study was based on both primary and secondary data. Primary data was collected by creating a list of women entrepreneurs in Chennai, visiting them personally and explaining to them the purpose of this study. The secondary data was collected through Journals, books, government reports, articles and websites of internet. This study is an empirical investigation of analytical nature including field survey. A questionnaire method was adopted to get the required information from selected women entrepreneurs. The selected sample size was 320.

STATISTICAL TOOLS APPLIED

The information collected by the primary method was systematically tabulated and analyzed with the help of appropriate statistical tools like Chi square test, t test, paired t test, ANOVA, and multiple regression tests for testing the formulated hypothesis and arriving at appropriate results.

KEY HYPOTHESIS FORMULATED

H1: There is no relationship between age, educational qualification or nature of the organization and ambition to start the unit.

H2: There is no relationship between age group and encouragement provided by financial organizations.
H3: There is no relationship between nature of the organization and contributing factors for the start of unit.

H4: There is no relationship between nature of the organization and assistance received from agencies / government.

H5: There is no relationship between nature of the organization and sufficient working capital maintained.

H6: There is no relationship between nature of the organization and ability to repay the loan amount.

H7: There is no relationship between nature of organization and mode of purchase of raw materials or the quality of materials used.

H8: There is no relationship between nature of organization and the type of markets where products were sold.

H9: There is no significant difference between age group with respect to satisfaction level of profitability of the unit.

H10: There is no significant difference between sales promotion techniques adopted with respect to satisfaction level of profitability of the unit.

H11: There is no significant difference between the natures of market deployed with respect to satisfaction level of profitability.

Increasing Women Entrepreneurs: Challenges and Solutions

Entrepreneurship provides the most powerful economically empowering avenue for women, for the community, and the nation. Yet, it is estimated that globally there are only roughly 9.34 million women-owned formal small and medium enterprises (SMEs) in over 140 assessed countries, which is approximately one third of all formal SMEs. In India, as per the Business Report 2014 and Survey conducted by IFC, women-owned enterprises contribute 3.09% of industrial output and employ over 8 million people. About 98% of women-owned enterprises, however, are micro enterprises. The bulk of the businesses, roughly 78%, are in the services sector.

MAJOR BARRIERS TO WOMEN ENTREPRENEURS

a. Intrinsic and Cultural Barriers:

The first sets of limiting factors are intrinsic i.e. within the self and family. They can be termed as the three S’s Self, Support Systems and Society & Stereotyping.
Self - Most educated women are tuned to take up jobs; it’s easy and lends the stability of a fixed salary. That part of an attitude that has to do with innovation, questioning mentality to find problems and risk-taking – to do the unexpected and uncertain and reap windfall gains – is culturally unconventional in India.

Support System and Society /Stereo Types - There are pressures from within the family, competing roles women play within the household, opposition from within the family due to societal stereotypes, and lack of child care support systems. These make women guilt-ridden and inhibit them from turning entrepreneurs. But with more women leaders coming to the forefront on corporates boards and as entrepreneurs, like Ms. Indra Nooyi, Ms. Chanda Kochar, Ms. Kiran Majumdar Shaw, Ms. Neelam Dhawan, Ms. Sulajja Firodia Motwani hopefully these intrinsic pressures will slowly fade away. But the drive has to begin from within, with the SELF affirmation to succeed.

ACCESS TO RESOURCES

The second set of problems is the most critical, especially for the micro and SME sector. These include lack of access to resources like credit, technology and markets. Lack of access to formal, easy, collateral free and transparent financing for women start-ups is a major problem area. The gap between women and men in access to formal financial services is vast. It is estimated that over 90% of finance requirements for women-owned enterprises is met through informal channels, as per the latest IFC Business Report.

Coupled with this, women also lack access to latest technologies that could enable them to overcome drudgery, improve efficiency/productivity, or enable them climb up the value chain. In agriculture, for example, women do not own much of the land. They have little information about better quality of seeds, diverse cropping mechanisms, farming produce trends and technology, tools, and market demand and prices. Due to these factors women have lost out on many opportunities (e.g. Food processing). Another key obstacle to entrepreneurship is poor linkages to consumers and markets. Poor infrastructure (especially in rural India) further hampers connectivity to markets.

SKILL GAP

It is very unfortunate that women are not always equipped with adequate knowledge and skills to tap opportunities. They lack exposure to practical aspects of running a business. This further deepens their isolation and lowers their self-esteem for achieving success. It is crucial to address these gaps in knowledge, skills and attitudes through capacity building programmes. These entrepreneurship development and management programs must have the rigour and adequate hands-on components that are supervised by existing successful entrepreneurs themselves. Technical aspects of finance and
accounting, technology and systems and leadership and negotiation skills are important elements to all kinds of capacity building initiatives.

Another important aspect for nurturing successful start-ups is handholding support services (legal formation, license, clearances, scaling up, marketing strategies and market and credit linkages) in the first six months of starting an enterprise. This will enhance the success rate of women-owned start-ups. Information dissemination of women specific schemes is also vital in order to increase awareness among potential entrepreneurs.

NET WORKING

Creating wide and sustainable network of women producers and consumers is essential to build and nurture women entrepreneurship. All successful and premier institutions across the world will vouch for their alumni and brand network multiplier effects for fostering entrepreneurship.

The change can come through collaborative efforts of business associations, organizations and individuals. Through affirmative action wherein for example, organizations implement a procurement policy where a certain percentage of their goods and services will be compulsorily sourced from women-owned businesses. Six companies, Accenture, Intel, Marriott, HP, Wal-Mart and IBM, are now looking to align their procurement policy towards women-owned businesses.

So, the corrective measures that need to be taken can be summed up as “Amplify and Simplify”.

- Amplify the women’s support systems like child care and family support.
- Amplify skill development and capacity building processes for soft skills, technology and management skills. Here it is important to make these measures effective through a focused region- and individual-specific approach. A bottoms-up approach in choosing a business venture, starting with the mapping of the individual profile to the business opportunities and industry/sector, and ultimately linking this to the regional advantages like natural resources, manpower etc., will enhance the success rate.
- Amplify mentoring and market linkage to support for women owned enterprises through networks like women entrepreneur associations. Another good practice is to share resources and document and spread entrepreneurial success stories.
- Simplify the external entrepreneurial ecosystem by enabling ease of doing business, including easy access to credit facilities such as collateral-free loans from banks, FIs and MFIs.
- Simplify government schemes eligibility criteria, documentation and clearance mechanisms. Bring in smarter technology, single-window clearances and better
inter-departmental co-ordination to enable simpler, faster, transparent and effective service delivery for women start-ups.

Role of Government to Develop Women Entrepreneurs in India

The growth and development of women entrepreneurs required to be accelerated because entrepreneurial development is not possible without the participation of women. Therefore, a congenial environment is needed to be created to enable women to participate actively in the entrepreneurial activities. There is a need of Government, non-Government, promotional and regulatory agencies to come forward and play the supportive role in promoting the women entrepreneur in India. The Government of India has also formulated various training and development cum employment generations programs for the women to start their ventures. These programs are as follows: In the seventh five-year plan, a special chapter on the “Integration of women in development” was introduced by Government with following suggestion:

- **Specific Target Group:** It was suggested to treat women as a specific target groups in all major development programs of the country.
- **Arranging Training Facilities:** It is also suggested to devise and diversify vocational training facilities for women to suit their changing needs and skills.
- **Developing New Equipments:** Efforts should be made to increase their efficiency and productivity through appropriate technologies, equipments and practices.
- **Marketing Assistance:** It was suggested to provide the required assistance for marketing the products produced by women entrepreneurs.
- **Decision-Making Process:** It was also suggested to involve the women in decision-making process.

The Government of India devised special programs to increases employment and income-generating activities for women in rural areas. The following plans are lunched during the Eight-Five Year Plan:

- **Prime Minister Rojgar Yojana and EDPs** were introduced to develop entrepreneurial qualities among rural women.
- **Women in agriculture’ scheme** was introduced to train women farmers having small and marginal holdings in agriculture and allied activities.
- **To generate more employment opportunities for women** KVIC took special measures in remote areas.
- **Women co-operatives schemes** were formed to help women in agro-based industries like dairy farming, poultry, animal husbandry, horticulture etc. with full financial support from the Government.
Several other schemes like integrated Rural Development Programs (IRDP), Training of Rural youth for Self employment (TRYSEM) etc. were started to alleviate poverty wherein 30-40% reservation is provided to women under these schemes.

Economic development and growth is not achieved fully without the development of women entrepreneurs. The Government of India has introduced the following schemes during Ninth Five-Year Plan for promoting women entrepreneurship because the future of small scale industries depends upon the women-entrepreneurs:

- Trade Related Entrepreneurship Assistance and Development (TREAD) scheme was launched by Ministry of Small Industries to develop women entrepreneurs in rural, semi-urban and urban areas by developing entrepreneurial qualities.
- Women Component Plant, a special strategy adopted by Government to provide assistance to women entrepreneurs.
- Swarna Jayanti Gram Swarojgar Yojana and Swaran Jayanti Sekhari Rozgar Yojana were introduced by government to provide reservations for women and encouraging them to start their ventures.
- New schemes named Women Development Corporations were introduced by government to help women entrepreneurs in arranging credit and marketing facilities.
- State Industrial and Development Bank of India (SIDBI) has introduced several schemes to assist the women entrepreneurs.

Some of the schemes that have been introduced by State Industrial for the benefit of women entrepreneurs are as follows:

- Mahila Udyam Nidhi.
- Micro Cordite Scheme for Women.
- Mahila Vikas Nidhi.
- Women Entrepreneurial Development Programmes.
- Marketing Development Fund for Women.

Further, the tenth five Year Plan aims at empowering women through translating the recently adopted National Policy for empowerment of Women into action and ensuring survival, Protection and Development of women and children through rights base approach. Consortium of Women entrepreneurs of India provides a platform to assist the women entrepreneurs to develop new, creative and innovative techniques of production, finance and marketing. There are different bodies such as NGOs, voluntary organizations, Self-help groups, institutions and individual enterprises from rural and urban areas which collectively help the women entrepreneurs in their activities. The following training schemes especially for the self employment of women are introduced by government:
Support for Training and Employment Programme of Women (STEP).
Development of Women and Children in Rural Areas (DWCRA).
Small Industry Service Institutes (SISIs).
State Financial Corporations.
National Small Industries Corporations.

District Industrial Centres (DICs), SIDBI has developed this fund for the entrepreneurial development of women especially in rural areas. Under Mahila Vikas Nidhi grants loan to women are given to start their venture in the field like spinning, weaving, knitting, embroidery products, block printing, handlooms handicrafts, bamboo products etc. In 1993, Rashtriya Mahila Kosh was set up to grant micro credit to poor women at reasonable rates of interest with very low transaction costs and simple procedures.

FINDINGS

The crisp analysis of my research indicated that:

- Age is not a barrier for women to enter entrepreneurship.
- Education plays a vital role in running any business successfully. Government should therefore make it mandatory for women to get formally educated. Schools, institutions and colleges should stress on entrepreneurial development courses in their curriculum so that they can create successful entrepreneurs.
- Creativity and talents of all women are an invaluable resource, which can and should be developed both for their own self-realization and for the benefit of society as a whole.
- Progress is impossible without ambition and those who do not have any goals in life get stagnated. Therefore achievement and progress of women entrepreneurs is based on the goals they set for themselves and the processes they adopt to achieve them.
- Unemployment is the major reason for women to start their units. Government should therefore emphasize on EDP so that women can prove to be successful in their ventures and also effectively utilize idle funds.
- Success stories of entrepreneurs who act as role models, encouragement from family members, positive family environment and experience from previous job add to the success of women entrepreneurs.
- Although credit is available for women through a plethora of schemes but there are still bottlenecks and gaps. As a result, women approaching one institution are not made aware of the best option for their requirement. A closely integrated data bank into which all concerned agencies are plugged in is a real need of women entrepreneurs.
- In the areas of guarantees, several humiliating habits have become ingrained in financial institutions and banks. They tend to depend on male members accompanying women entrepreneurs for finalizing projects proposed by women
and almost invariably insist on guarantees from males in the family. These degrading procedures should be scrapped and guarantees sought for any entrepreneur only when the entrepreneur on record is totally unfamiliar with the project or has in adequate exposure.

- State finance corporations and financing institutions are not permitted by statute to extend purely trade related to women's development corporations despite being fully aware of the significant presence of women in this area as they have only a catalytic role in financing. They must necessarily work through normal channels if they have to gain access to open ended financing.

- Many easy and innovative schemes are launched through commercial banks and financial institutions for women entrepreneurs. Concession in rate of interest is also provided to deserving entrepreneurs. Seed capital schemes like National Equity Fund Scheme, wherein interest free equity type of assistance is provided covering upto 25% of the project cost. Special scheme like Mahila Udayam Nidhi is operated by SIDBI through commercial banks for women to set up SSI units. Creating awareness of the existence of these programmes is a must for promotion of women entrepreneurship.

- Channels through which raw materials can be imported in a cost effective way need to be made aware to women entrepreneurs.

- A major challenging area for women entrepreneurs is marketing. Women's development corporations must try to hold frequent exhibitions and set up marketing outlets to provide space for the display of products made by women. Some NGO's have marketing vans. However, such arrangements are not adequately publicized and quality control is inadequate with no arrangement for adaptation to market requirements or consumer tastes. Professional marketing expertise is essential to identify marketing channels for the products made by women.

CONCLUSION

Entrepreneurship at present most discussed and encouraged concept all over the world. Women being the vital gender of the overall population have great 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 potentially play a vital role in entrepreneurial development by creating and highlighting various platforms that can bring out the creativity and innovation among both the genders 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. 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. Although Independence brought promise of equality of opportunity in all sphere for women and
laws guaranteeing for their equal rights in political process and equal opportunities and rights in education and employment, it is unfortunate the government sponsored development activities have benefited only a small section of women whereas a large majority of them are still unaffected by these change and development. 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.