
UNIT 2 ENTRY, SURVIVAL AND ADVANCEMENT IN ENTREPRENEURSHIP – GENDER DIMENSIONS

Structure

- 2.1 Introduction
- 2.2 Objectives
- 2.3 Women Entrepreneurship and economic development
- 2.4 Programmes for developing women entrepreneurs in India
- 2.5 Categories of women entrepreneurs in practice in India
- 2.6 Growth of women entrepreneurs
- 2.7 Socio economic origin of entrepreneurship
- 2.8 Entry in Entrepreneurship-gender dimensions
- 2.9 Obstacles specific to starting new firms – External, fiancé and Gender discrimination
- 2.10 How to develop successful women entrepreneurs
- 2.11 Case Studies of Successful Women Entrepreneur
- 2.12 Summing Up
- 2.13 Glossary
- 2.14 Answers to Check your Progress Exercises
- 2.15 References
- 2.16 Questions for Reflection and Practice

2.1 INTRODUCTION

Entrepreneurship is the key to economic progress of a nation and entrepreneurs are called ‘Wealth Creators’. Women owned business are increasing in the economies of almost all countries. The hidden entrepreneurial potentials of women have gradually been changing with the growing sensitivity to their role and economic status in the society. Skill, Knowledge and adaptability in business are the main reasons for women to emerge into business ventures. Women entrepreneur is a person who accepts the challenging role to meet her personal needs and become economically independent. A strong desire to do something positive and productively is an inbuilt quality of entrepreneurial women who is capable of contributing values in both family and social life. The challenges and opportunities provided

to the women of digital era are growing rapidly that the jobs seekers are turning into job creators. They are flourishing as designers, interior decorators, and exporters, publishers, garment manufactures and still exploring new avenues of economic participations.

In 1988 for the first time the definition of Women entrepreneurs' enterprise was evolved that termed as SSI unit / industry related service or business enterprise managed by one or more women entrepreneurs in proprietary concerns or in which they individually or jointly have a share capital of not less than 51 per cent as partners/ shareholders/directors of a private limited company / members of a cooperative society as a Women Enterprise.

The emergence of women entrepreneurs in a society depends to a great extent on the economic, social, religious, cultural and psychological factors prevailing in the society. As students of 'gender and development', it would be of interest to you to learn about the gender dimensions of entrepreneurship and to have an in-depth knowledge about entrepreneurship behavior of women

2.2 OBJECTIVES

After studying this Unit, you would be able to

- describe the relationship between women entrepreneurship and economic development;
- identify the obstacles/ barriers to women entrepreneurs; and
- assess the contributory factors to successful entrepreneurship among women.

2.3 WOMEN ENTREPRENEURSHIP AND ECONOMIC DEVELOPMENT

Women are regarded as nuclei of a nation and the builder and molder of its destiny. Women entrepreneurs have become an important part of national development planning and strategies. Women entrepreneurship is not a singular narrative rather it is located in a complex set of caste, class, religion and ethnic identities. It is heavily dependent on many variables that include geographical location (rural/urban) educational status, social status (caste and class) and age.

The Indian economy has been witnessing drastic changes since mid-1991 with new policies of economic liberalization, globalization and privatization initiated by the Indian government. India has great entrepreneurial potential. At present women's involvement in

economic activities is marked by a low work participation rate, excessive concentration in the unorganized sector and employment in less skilled jobs. Any economic strategy aimed at economic development will be lop-sided without involving women who constitute half of the world population. Evidence has unequivocally established that entrepreneurial spirit is not a male prerogative. Women entrepreneurship has gained momentum in the last three decades with the increase in number of women enterprises and their substantive contribution to economic growth. Women entrepreneurship has been recognized during the last couple of decades as an important untapped source of economic growth.

Women are almost half of the world's population having enormous potential but being unutilized and under utilized for the economic development of the nation. However majority of women do not undertake entrepreneurial venture. There is need to strengthen and streamline the role of women in the development of various sectors by harnessing their power towards nation building and to attain accelerated economic growth process.

Though Constitution of India enshrines the 'Fundamental Duties of citizens' under Article 51A among other things 'to renounce practices derogatory to the dignity of women' the plight of women in India is still visible. The low literacy rate (52%) low work participation rate (26%) well confirms their disadvantageous position in the society. The age old traditions and taboos arresting the women within the four walls of their houses also make their conditions more disadvantageous. These factors served as non-conducive conditions for the emergence and development of women entrepreneurs in the country. Given such conditions, the development of women entrepreneurship is expectedly low in the country. This is well indicated by the facts that women constitute 48 per cent of the total population in India, but form 34 per cent total work force, 11 per cent of total entrepreneurs and around 6 per cent of total self employed in the country. But in developed countries like United States women own nearly 30 per cent of businesses and form over 70 per cent of new businesses.

In India women's entry into business is a new phenomenon. Initially women's entry to business or say entrepreneurship is traced out as an extension of their kitchen activities mainly to make pickles and pappad. Women in India plunged into business due to both pull and push factors. Pull factors imply the factors which encourage women to start a venture to do something independently. Push factors refer to those factors which compel women to take

up their own business to tide over their economic difficulties. With growing awareness about business and spread of education among women over the period women have started shifting from 3 Ps to 3 modern Es viz., engineering, Electronics and Energy. Women entrepreneurs manufacturing solar cookers in Gujarat, small foundries in Maharashtra and TV capacitors in Orissa have proved beyond doubt that given the opportunities, they can excel their male counterparts. Today some exemplary and accomplished women entrepreneurs like Smt.sumati Morarji (Shipping Corporation) Smt.Yamutai Kirloshkar (Mahila Udyog Limited), Smt.Neena Malhotra (Exports) to name a few have made landmarks in their respective activities.

2.4 PROGRAMMES FOR DEVELOPING WOMEN ENTREPRENEURS IN INDIA

Government of India has initiated various measures and programmes for developing women entrepreneurs in the country. The United Nations declared the decade 1975-85 as the decade for women. The UNIDO Preparatory Meeting was held at Vienna during 6-10 February 1978 on the 'Role of women in industrialization in Developing Countries' and identified several constraints such as social, attitudinal and institutional barriers, inadequate employment opportunities, inappropriate training, insufficient information and so on which held women back participating in industrial activities.

The World Conference of the United Nations Decade for Women' held in Copenhagen in Denmark on 30th June 1980 also adopted a programme" aimed at promoting equal opportunities and treatment of women in employment and their access to non traditional skilled trades.

The First National Conference of Women Entrepreneurs' held at New Delhi in December 1981 advocated the need for developing women entrepreneurs for the over all development of the economy. It called for priority to women in allotment of land, shed, sanction of power, licensing etc.

The second National Conference of Women entrepreneurs' organized by the National Alliance of Young Entrepreneurs (NAYE) held at New Delhi in 1989 also adopted certain declarations involving women's participation in industry.

The Sixth Five Year Plan proposed for promoting female employment in women-owned industries. The Government of India moved a step forward in the 'Sixth Five Year Plan' by including a chapter in integration of women in Development.

The Government of India for the first time prepared new Small Enterprise Policy titled "Policy measures for promoting and strengthening and supplementing 'Small, Tiny and Village Enterprises, 1991 stressed the need for conducting special entrepreneurship development programme for women with a view to encourage women to enter industry.

There are several institutional arrangements both at the centre and state levels devoted to the protection and development of women entrepreneurs in the economy. Following are some illustrative ones:

The Small Industries Development Bank of India (SIDBI) has developed a fund called 'Mahila Vikas Nidhi' for the development of women entrepreneurs in rural areas.

The State Bank of India has introduced the "Shree Shakti Package for women entrepreneurs" to provide them concessions and special training facilities.

The Mahila Udayam Nidhi Scheme' introduced by the Industrial Development Bank of India (IDBI) provides equity type of assistance to women entrepreneurs for setting up new industrial projects in small sector.

The Rashtriya Mahila Kosh' was set up in 1993 to grant micro credit to poor women entrepreneurs at nominal rates of interest involving simple procedures.

NAYE has set up a women wing, in 1975 to impart training to women entrepreneurs and organize exhibitions for products of women entrepreneurs.

The Federation of Indian Chamber of Commerce and Industry (FICCI) have also started FICCI's Ladies Organization (FLO) to look after the protection and development of women entrepreneurs.

The National Bank for Agricultural and Rural Development has introduced certain exclusive schemes like women's clubs under Vikas Volunteer Vahini (VVV), Assistance to Rural Women in Non Farm Development (ARWIND) and Assistance for Marketing of Non Farm Products of Rural Women (MAHIMA) for the development of women entrepreneurs especially in rural areas.

2.5 CATEGORIES OF WOMEN ENTREPRENEURS IN PRACTICE IN INDIA

The following describes categories of Women Entrepreneurs practiced in India.

First category

- Established in big cities
- Having higher level technical and professional qualification
- Non traditional items
- Sound financial position

Second category

- Established in cities and towns
- Having sufficient education
- Both traditional and non traditional items
- Undertaking women services – kindergarten, crèches, beauty parlors, health clinic etc

Third category

- Illiterate women
- Financially weak
- Involved in family business such as agriculture , horticulture, animal husbandry, dairy fisheries agro industry handloom etc.

Another way of categorizing Women Entrepreneurs is as follows:

- Women in organized & unorganized sector
- Women in traditional & modern industries
- Women in urban and rural areas
- Women in large scale and small scale industries
- Single women and joint venture

Check Your Progress Exercise 1

Note: i) Use this space given below to answer the question.

ii) Compare your answer with the one given at the end of this Unit.

1. Briefly explain few programmes for developing women entrepreneurs in India.

2.6 GROWTH OF WOMEN ENTREPRENEURS

In Indian conditions the women can be categorized in following five broad categories.

Affluent Entrepreneurs

These are the daughters or daughters-in-law and wives of rich business men who have financial and other resources backing to take up any business risk. Many of them start enterprises in interior decoration, beauty parlor, restaurants, small factories, book publishing, magazine, film distribution and the like. The family supports in many ways help them take care of the responsibilities with less efforts and strains. Moreover their sustenance is not entirely dependent upon the new enterprises.

Pull factors

In this category the town and city based women take up some assignment or enterprise as a challenge. They take it up as an adventure to do something new and be economically independent. Generally they take up small and medium type industries where risks factors are too small. This category consists of educated women with or with out work experience. They are likely to take financial assistance from bank and other sources. Women start electronic industries, service centres, restaurants, schools, food catering centres event management, film production , grocery shop etc

Push factors

This category of women takes up some business activity to overcome financial difficulties. The family situation forces them to develop existing family business or start something new to improve the economic lot of the family. This category is small and normally widows and single women are in this category.

Rural entrepreneurs

Women in rural sector try to start something suiting to their resources in villages. In this category we find dairy products, fruit juice, pappad, jaggery making and pickle. They would like to work in areas where minimum usage of transport and monetary transaction is involved. They ensure that their enterprise need minimum risk and need least organizing skills.

Self employed entrepreneurs

They are women from poor and very poor category of society and rely on their efforts for sustenance. Majority of them are from villages and towns. The examples are vegetable and fruit vendors, broom making, candle making, providing tea-coffee to office, ironing of cloth, knitting work, tailoring etc. These are tiny and small enterprises which women convenient to manage.

Women entrepreneurs have been on the Indian business scene for quite some time now and have achieved remarkable success. However their number in relation to over all number of small-scale enterprises is still very small. One of the reasons for this is the initial hesitation and inhibition, both familial and social, due to the traditional perception of the women's role. Moreover, like any other entrepreneur, any first generation woman entrepreneur has to compete in the business against those already well established. Industry wise, the most popular activities of women entrepreneurs are food processing followed by garment making. Realizing the great untapped potential, the government has been making concerted efforts to channelize the skills and talent of the women towards economic and business generating activities.

2.7 SOCIO ECONOMIC ORIGIN OF ENTREPRENEURSHIP

The Entrepreneur activity at any time and place is governed by varying combination of socio economic, psychological and cultural factors. The empirical studies have identified the following factors.

- Caste / religion
- Family background
- Level of education
- Level of perception
- Occupational background
- Migratory character
- Entry into entrepreneurship
- Nature of enterprise
- Investment capacity
- Ambition/motivation

In India although women constitute the majority of the total population, the entrepreneurial world is still a male dominated one. Indian women entrepreneurs are facing major constraint such as:

- lack of confidence
- socio cultural barriers
- Poor knowledge in business administration
- motivational factors
- lack of Awareness about the financial assistance
- inadequate exposure to training programme
- inability to identify the available resources
- lack of role models in entrepreneurship
- lack of experience
- lack of relevant network and of societal position
- lack of financial assets
- competing demands on time

2.8 ENTRY IN ENTREPRENEURSHIP – GENDER DIMENSIONS

Motivation for women entrepreneurs

Because women have different demands on them than men, they have different priorities and motivation when starting firms. Women still have the major responsibility for family and children which means that they have fewer possibilities to be flexible with their day to day time management. Therefore they are more prone to start home-based business.

Difference between men and women in starting business

- personality characteristics
- risk taking ability
- cultural factors

Table 1 Comparison between male and female entrepreneurs

characteristics	Male entrepreneurs	Female entrepreneurs
Type of business started	Manufacturing or construction	Service related, garments, educational services, consultation service
Support groups	Friends, professional acquaintances (lawyers, accountants, business associates)	Close friends, spouse, family women's professional groups, trade associations
Economic background	Age when starting venture ranges between 25-35- father self employed-college education-degree in business or technical area (usually engineering)-first born child	Age when starting the business ranges between 35-45, mostly father self employed-college educated-degree in art or commerce- first born child
Personality characteristics	Opinionated and persuasive, goal oriented, innovative and idealistic, high level of confidence, enthusiastic and energetic, must be own boss	Flexible and tolerant, goal oriented, creative and realistic, medium level of self confidence, enthusiastic and energetic, ability to deal with staff
Occupational background	Experience in line of work, recognized specialist or one who has gained a high level of achievement in the field, competent in a variety of business functions	Experience in area of business,, middle management or administrative level experience, service related occupational background
Sources of funds	Personal assets and savings, bank financing, investors	Personal assets and savings, personal loans
Departure point	Dissatisfaction with the present job, sideline to present job or outgrowth of present job, lay	Job frustration, interest in and recognition of opportunity in the area, change in personal

	off opportunity for acquisition	circumstances
Motivation	Profit motivation, Job satisfaction arising from desire to be in control	Profit motivated, Economic independence, accomplishment of a goal

Ref: Author

Both men and women start firms because they want to achieve job satisfaction, independence and to support themselves and their families. However, differences can be observed in terms of growth motivation between men and women. Thus women tend to be self-selective because they do not perceive that they have the competence needed to start and manage firms. Women have lower growth ambition than men. Women do not perceive that they have the competence needed to start and manage firms. Entrepreneurship is often perceived and portrayed as a male occupation. The lack of perceived competence will also diminish the motivation of women as the perception of competence and motivation is closely related to each others. If they decide to start firms they will to a higher degree choose to start more part time and home based firms in order to balance professional responsibilities with family responsibilities. The **entry obstacles** to women's entrepreneurship are classified under different heads:

- general obstacles to women engaged in entrepreneurship (opportunity recognition and willingness to start business)
- specific obstacles to start (assembling necessary information, financial and human resources to start)
- Specific obstacles to managing a small firm
- Specific obstacles for growth of firm
- External finance and gender discrimination

A women may be considered to be an entrepreneur if she has started a business alone or with other women or with someone who is in a family business or partnership or is someone who is shareholder and manager in a company.

In order to understand the specific obstacles and challenges faced by women three different stages of the entrepreneurial process can be identified.

- The participation in the labour market, family responsibility, gender beliefs, political and ideological context
- The establishment of the new firm (growth ambitions, resource acquisition, industry choices)
- The early development of the new firm (profitability, growth in sales and employment and survival)

These three stages can be analyzed from a woman's entrepreneurship perspective to establish whether there are differences between men and women entrepreneurs and where there are differences and what are the consequences of these differences for economic growth.

In this context, the transition made by woman is to be observed.

- First the choice of becoming self employed
- Second, the gathering of resources in order to establish a new independent firm and
- Thirdly the survival and performance of the new firms in the market. Related to this process we can observe how women differ from men in the different stages of the process.

What factors at the societal economic and individual level affect how women enter entrepreneurship and how they affect the nature and volume of women's entrepreneurship?

- The knowledge and resources needed to create and to manage a new firm are culturally embedded and historical specific.
- Secondly knowledge and resources are differently available across environmental contexts. As men and women differ in their access to resources, knowledge and

societal position, women start and manage firm in different ways than men do. Basically women have access to fewer resources, less knowledge and have in many countries a lower societal position than men. Moreover these differences seem to be very difficult to change over time.

The theoretical framework of entrepreneurship is inspired by an Austrian - economic model of entrepreneurship which identifies the historically and culturally determined framework conditions (demand side) affecting entrepreneurship and the idiosyncratic prior experiences of enterprising individuals and potentially enterprising individuals (supply side).

Entrepreneurship is here defined as the study of sources of opportunities, their identification, exploitation and consequences for the economy. Together these four components form the entrepreneurial process and provide a general model to understand how women enter into self employment and business and how they exploit opportunities, and the consequences of women's entrepreneurship for the economy.

The model assumes that changes in demand conditions (e.g technological, market, demographic, political, institutional and cultural developments) create opportunities that are not equally obvious to everyone but are discovered and exploited by a few. Some individuals have an advantage in discovering specific opportunities. This advantage is provided by these individuals through access to idiosyncratic information and resources, an advantage generated by their prior experiences and their position in the social networks.

Women have different demands on them than men, they have different priorities and motivation when starting firms. Women still have the major responsibility for family and children which means that they have fewer possibilities to be flexible with their day to day time management. Therefore they are more prone to start home-based business and they are more prone to start part time business.

Lack of role models in entrepreneurship

There exists a strong connection between the presence of role of models and the emergence of entrepreneurs and women as they historically have not been present as entrepreneurs in general lack close role models. Role models are persons who by their attitude, behavior and

action establish the desirability and credibility of a choice of becoming an entrepreneur. Furthermore the influence of role model is gender-related. An individual's aspirations and choices tend to be more influenced by persons of the same sex.

Furthermore the influence of self-employed parents is gender specific i.e a son is more likely to become self-employed if the father was self-employed than a daughter would be. Having a self employed father strongly influences a man's decision to become self-employed. For example if father is a business magnet, the son follows suit; but it is rare to see the daughters following the business of father. If father is a lawyer, son becomes a lawyer after completing the educational career. If father is doctor, it is common to see son becoming a doctor. If father is architect, son also follows the same career.

Lack of experience

All stages in entrepreneurship are dependent on relevant experience, from the identification of opportunities to the execution of running a business. Human capital theory posits that individuals with more or higher quality human capital achieve higher performance in executing relevant tasks. Human capital refers to the knowledge and skills that assist people in successful discovery and exploitation of opportunities. Because of both supply and demand factors, women lack the experience needed to identify and exploit opportunities.

Lack of relevant network and of societal position

Women have in general a lower social position than men which affects the kind of networks they can access or are part of. Women differ from men in the kind of network they use and in the social capital available to them through the network. Women have therefore less access to critical resources, support and information needed to successfully start and manage a new firm compared to men. For example some of the most important and impacts of social network are the socialization process, the ability to practice and observe small business activities at close range and the provision of positive or negative role model with regard to entrepreneurial behavior. These can serve to strengthen the sense of self confidence in behavior related to the entrepreneurial domain; furthermore the social network provides different useful resources for both the aspiring and practicing entrepreneur in the form of

instrumental and financial assistance such as experience, know how, finance and idea generation.

Lack of wealth

A pre-requisite for starting a firm is to have capital in terms of financial assets and in terms of relevant knowledge assets. Women's position in society has led to a lack of assets in both these aspects. The constraints of family obligation make it harder for women to take on work on full time basis and to engage in a career. This in turn decreases the range of possible work opportunities for women leading to jobs in lower paid sectors. Being a part time worker, with low pay is not a good basis for creating personal wealth.

We can observe large country differences where in the less developed economics, women on average earn less and also control less wealth compared to developing economics, where women may not even control the money they earn. For example both legal and cultural obstacles in Bangladesh, Mali or Senegal, make it impossible or atleast very different for women to save enough money to start a firm or reinvest money into the growth of the firm because at any moment a male family members (husband, brother, brother-in-law) can confiscate the accumulated capital for no other reason than that he is allowed to and there exists no protection for women in the respect.

Availability of financial capital is crucial to the entrepreneurial process. Potential entrepreneurs prefer to invest their own money in their ventures. If they can choose to first involve only their own money and following this loans and finally external equity as venture capital, this order is known as the 'financial pecking order'.

In short entrepreneurs will first draw on the funds that are the cheapest and proceed to more and more expensive funds obviously, the perceived availability of capital to invest in a firm also determines what kind of opportunity the entrepreneur is ready to be engaged in. Entrepreneurs with lower amounts of financial resources will opt for less capital intensive opportunities whereas entrepreneurs with larger will opt for more capital intensive opportunities (which often have higher growth potential). Hence if women have less or no access to capital they will opt for opportunities with less growth potential.

Also if they would choose to pursue a capital intensive opportunity even though they do not control the necessary resources they will experience trouble in finding external financing. The reason is that most investors will only invest if the entrepreneur can match the investment made with their own resources or some kind of collateral. Thus the lack of capital leads to several effects.

- First, entrepreneurs with no or few financial resources will opt for less capital intensive less growth oriented opportunities and those that still choose to pursue a more capital intensive opportunities opportunity will not get external financing.
- Second, applying the evolutionary reasoning of model, those who control the most resources will also be those with the highest probability of identifying and successful exploiting opportunities with growth potential. In this scenario, women are more and more alienated from entrepreneurship if they do not get access to more financial resources.

Competing demands on time

Another recurring obstacle for women to engage in entrepreneurship is the perceived lack of time or competing demand on time. Because women are responsible for so many different domestic chores and the raising of children, they do not have enough free time to develop their entrepreneurial skills to become entrepreneurs or to develop an existing business. The lack of free time does not allow them to contact support institutions, banks and other finance houses for advice and information on credit, to attend training programmes, to acquire skills or to seek out better customers or suppliers. Thus lack of time is a barrier for most women in most economies independent of the level of development.

Check Your Progress Exercise 1

Note: i) Use this space given below to answer the question.

ii) Compare your answer with the one given at the end of this Unit.

1. Lack of Role Model is the main hindrance for women to emerge as Entrepreneur-
Discuss

2.9 OBSTACLES SPECIFIC TO STARTING NEW FIRMS --EXTERNAL, FINANCE AND GENDER DISCRIMINATION

In general women have lower personal financial assets than men.

- Women are disadvantaged in raising the initial capital to start a firm.
- Collateral needed for external financing may be above the wealth level of women.
- Finance for existing firm may not be available in adequate measure because women are less likely than men to penetrate informal financial networks.
- Women entrepreneur relationship with different financial institutions might suffer because of gender stereotyping and discrimination.
- Women still perceive a negative attitude from financial institutions such as bank and other lending institutions.

The negative attitude arises due to two possible reasons.

- Women are not viewed as entrepreneurs due to the attitudes formed by traditional gender roles.
- Women engage in industries that the financial institutions are not used to handle.
- Also in personal networks and the family, it is harder for women to find financial resources to start a business.
- In many countries especially in developing economies women still have important problems to obtain finance because of their weak social position or that they are not even allowed to seek finance as individuals and that their husband or brother must seek it in their place.

Obstacles specific to growing firms

A specific problem of women entrepreneurs seems to be their inability to achieve growth especially sales growth. Lack of innovation may be a contributing factor.

Basically, women because of having a greater day to day responsibility for the family have less resources and time to invest in the development of their firms.

As women often have a difficult time to assemble resources they start less ambitious firms that can be financed to a greater degree by their own available resources. This also has consequences for the future growth of the firms. Basically firms with more resources at startup have a higher probability to grow than firms with fewer resources. By resources is meant here societal position, human resources and financial resources'. This initial endowment in the firm is therefore of great importance for firms survival and especially for firm growth.

Two explanations can be offered.

- The first is that the initial endowment gives the firm a better chance to get established and to survive the first turbulent years. This enables the firms to establish routines and competencies needed. Here the social position and human capital are central to the process.
- The second explanation relies more on the effect of rapid penetration of the market due to financial resources.

Women are disadvantaged from the beginning which makes it difficult for them "to catch up" with men – managed firms.

In addition to the above, Women entrepreneurs are facing major constraints as given below

Lack of confidence

In general, women lack confidence in their strength and competence. The family members and the society are reluctant to stand beside their entrepreneurial growth. To a certain extent this situation is changing among Indian women and yet to face a tremendous change to increase the rate of growth in entrepreneurship.

Socio cultural barriers

The socio culture set up in India is such that it imposes a lot of hurdles in the path of women entrepreneurs. Women are looked upon as custodians of the society in matters of maintenance of cherished values, habits, accepted norms of conduct etc. It is very difficult to

take calculated risks which are part of entrepreneurship. In India the gender stereotyping and social norms serve as a major barrier which makes the women entrepreneurs a target for discrimination by both by men and other women. The attitude of the society has culminated in developing a widespread complex among women that inhibits them from entering profitable, modern small scale business ventures. Women's family and personal obligations are sometimes big barriers for succeeding in business career. Only few women are able to manage both home and business efficiently devoting enough time to perform all their responsibilities in priority. In India a woman has to perform her family duties irrespective of her career as a working woman or an entrepreneur. She is in a continuous conflict between the household and business work. If she is in a joint family, she may get help of other family members to shoulder family responsibilities. In addition she may get their moral support in difficult situation. In nuclear family she alone has to take care of the family.

Market oriented risks

Stiff competition in the market and lack of mobility of women make dependence of women entrepreneurs on middlemen indispensable. Many businesses women find it difficult to capture the market and make their products popular. They are not fully aware of the changing market conditions and do not utilize the services of media and internet.

Lack of knowledge about business administration

With less opportunity to get education and training in the functional areas of business management they are in disadvantageous position to develop good business network and decision making.

Lack of awareness about financial assistance

Various institutions in the financial sector extend their maximum support in the form of incentives, loans, schemes etc. In spite of it, many women entrepreneurs are not aware of the schemes and operational procedures to apply for the financial assistance. As a result even the sincere efforts taken by government do not reach the women in rural and backward areas.

It is also true that negative attitude of banks and other financial institutions towards women entrepreneurs lack of property rights and security acts as a block. Bankers claim that,

marriage, child birth or even crisis in the family can make the women close down their business. Banks show less confidence in proposals submitted by women entrepreneurs.

Inadequate exposure to training and information

Women often face only a limited access to variety of technical and skill training such as – technical, vocational, managerial, organizational, financial, personnel production process, self confidence building negotiation skills and assertiveness. They have limited access to business related services such as business counseling, follow ups and escort services after the training or counseling programs. In addition to this they also have limited access to information in all aspects such as marketing strategies, credit facilities, financial, marketing strategies, credit facilities, financial services, technology training and education. The time of training is most inconvenient to women especially in rural areas. For instance in rural areas though SHG women are interested in attending training, their work schedule and training time often clash.

Inability to identify the available resources

In rural areas plenty of resources are available to initiate micro enterprises (for instance silk cotton seeds processing, neem oil and neem soap production from neem seeds, vermin composting) Women are not aware of such seasonal opportunities, need based opportunities, value added products, and subsidiary opportunities.

Restricted mobility

Business work always demands greater mobility in meeting suppliers and customers. Women by their nature are less mobile and they are deprived of the benefits of low cost and high efficiency. Their actual physical condition and related cultural factors and safety provisions are responsible for their low mobility. Dependence on others for mobility is deterrent in planning business tours.

Discriminating behaviour of officials

Women meet discouraging experiences while dealing with various officials concerned like labour, sales tax department etc. Officials usually do not have positive attitude about projects started by women.

Women problems in India are tradition, social cultural values, ethics, motherhood, subordinate to husband and men, physically weak, tension, hard work areas, avoid vehicle driving and cannot be tough etc., general remark make on women.

One or few of them may be applicable to individuals. These factors can only gradually change with better education training and development. Added do these are social cultural values need to be equal, till now they are heavily biased in favour of men.

Problems in general

- Procedural delay, problems and corruption in government offices for various license, electricity , water and shed allotment
- Raw material price and availability are not consistent. Middle men play a major role in creating artificial shortage
- Competition in low technology items is too high and hence the entrepreneurs had to work at very low margin and constantly be on look out for cost reduction
- Financial problems due to blockage of funds in bulk purchase of finished goods and raw materials. Added to these non receipt of payments from customers is always is a cause of worry.
- Indians also face technology obsolesce due to non adoption or slow adoption to changing technology.

Specific entrepreneur problem for women

- Mobility is a problem to women due to traditional values and most of the cases inability to drive vehicles.
- Family responsibilities like extra attention to husbands, children in laws take away lot of time and energy. In such a situation if they lack of support from family members it will be difficult to concentrate on their enterprises.
- Protected life from childhood has made them weak and women are unable to face risks and trouble that may come up in an organizational working. Risk bearing is one of the essential requirement of the entrepreneur.
- Women are provided less or inadequate education than men partly due to early marriage, partly due to preference given to son in higher education. This puts them in an disadvantageous position in entrepreneurial tasks.

- Since women cannot run around for marketing distribution and collection, middlemen tend to exploit them in the guise of helping.
- In rural sector women has to depend on men for anything they have to obtain from towns and cities.

Barriers to entrepreneurship

A large number of entrepreneurs particularly in small enterprises fail due to several problems and barriers. Karl H Vesper (2008) has identified the following entrepreneurship barriers.

- Lack of market knowledge
- Lack of technical skills
- Lack of seed capital
- Lack of business know how
- Complacency –lack of motivation
- Social stigma
- Time presence and destruction
- Labour constraints and regulations
- Monopoly and protectionism
- Inhibitions due patents

Environmental help	Barriers
Market contact	Lack of viable concept Lack of market familiarity
Local incubators companies	Lack of technical skills
Capable local manpower	Lack of seed capital
Technical education and support	Lack of business know-how
Supplier assistance and credit	Complacency non motivation
Local venture capitalists	Social stigma
Venture savvy bankers	Job lock-ins
Capable local advisors	Red-tapism
Entrepreneur education	Time pressure
Successful role models	Legal constrains

2.10 HOW TO DEVELOP SUCCESSFUL WOMEN ENTREPRENEURS

Right efforts from various angles are required for the development of women entrepreneurs and their greater participation in the entrepreneurial activities. Following efforts can be taken for effective and successful women entrepreneurship.

- Consider women as specific target group for all developmental programmes
- Better educational facilities and schemes should be extended to women folk from government
- Adequate training programme on management skills to be provided to women
- Encourage women participation in decision making
- Vocational training to be extended to women that enables them to understand the production process and production management
- Skill development to be carried out in women's polytechnics and industrial training institutes.
- Training on professional competencies and leadership skill to be extended to women entrepreneurs
- Training and counseling to remove psychological causes like lack of self confidence and fear of success
- Counseling through the aid of committed NGOs psychologists, managerial experts and technical personnel should be provided to existing and emerging women entrepreneurs
- Continuous monitoring and improvement of training programs
- Training in packaging, branding and marketing
- Making provision of marketing and sales assistance from government
- The financial institutions should provide more working capital assistance both for small and large scale venture.
- Micro credit facilities are to be extended at frequent intervals
- Repeated gender sensitization programmes should be held to train financiers to treat women with dignity and respect as persons in their own rights

- Infrastructure in the form of industrial plots and sheds to be allotted for women entrepreneurs
- Industrial estates could also provide marketing outlets for the display and sale products made by women
- Women entrepreneur's Guidance cell can be set up to handle various problems of women entrepreneurs
- District Industrial centre and Single Window Agencies should assist in their trade and business guidance
- Training at entrepreneurial attitude should start at the high school level through well designed courses. confidence to be created through behavioural games
- Involvement of NGOs in women entrepreneurial training programme and counseling

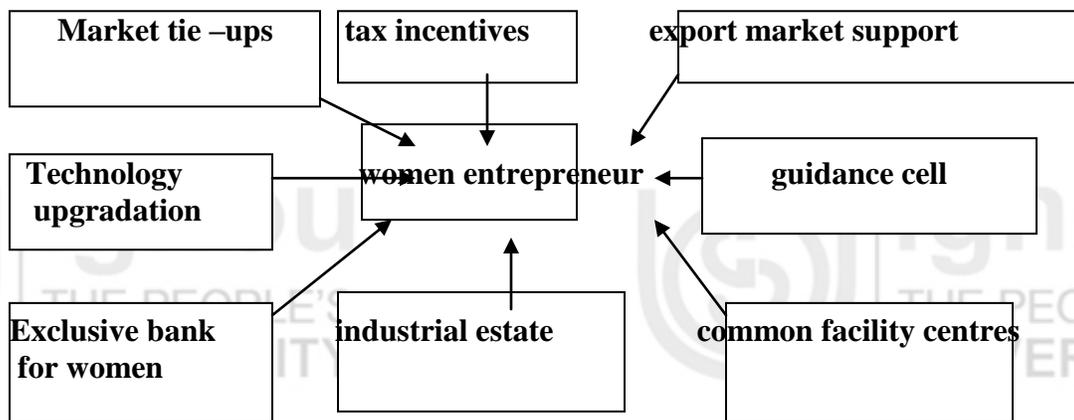


fig 1: Demands for making successful Women Entrepreneur

Entrepreneurial behavior is not only a function of 'threshold' personality characteristic but is also closely associated with specific demands of the function. Among the most quoted demand are the following:

- Accommodation of the venture
- Total immersion and commitment to the business effort
- Creativity and innovation

- Knowledge of the people and team building
- The endorsement of economic values
- A given level of ethical standards
- Integrity and reliability

Elements of the entrepreneurial process

- Perception of market opportunities
- Gaining command over scarce resources
- Purchasing inputs
- Marketing of the product and responding to competition
- Dealing with the public bureaucracy (concession licenses, taxes)
- Management of human relations within the firm
- Management of customer and supplies relations
- Financial management
- Production management (control over written, records, supervision, coordinating input flows with other maintenance)
- Acquiring and overseeing assembly of the factory
- Industry engineering (minimizing inputs with a given production process)
- Upgrading process and product and product quality
- Introduction of new production technique and products

2.11 CASE STUDIES OF SUCCESSFUL WOMEN ENTREPRENEUR

Case Study 1-- Structural Shift from wage earner to entrepreneur --A successful micro enterprise venture by SHG in Theni district

Chitra, stands as a unique example for having selected 'file making' as a livelihood activity in Rangarampatti village of Andipatti block, Theni district. She is a member of Annai Kamatchi Self Help Group which has accumulated a corpus fund of Rs. 1, 20,000.

File making is the traditional activity of the area in which women were engaged from 9.30 am to 6.00 pm after completing their domestic chores. Due to irregular income in agriculture and reluctance to work under scorching sun throughout the day, these women were engaged in file making activity. "Women usually undertake stereotyped activities like dairy, goatry; we have proved that women can also take up challenging occupations like file making activities which involve conversion of iron rods into different kinds of files – round, rectangle, triangle of varying sizes of 8", 10" and 28 inches" continues Chitra, "I have studied up to fifth standard after which I was married to a black-smith. Not only me, but all the women in Rangarampatti had never stepped out of the village seven years back. When the seeds of SHG movement were laid in Rangarampatti, the only condition which the men folk of our village put forth was that the womenfolk should not be taken outside the village. But today the face of the village has changed; a thorough transformation is visible, so also men's attitude towards women. This is purely because of SHG movement."

Under these circumstances Chitra decided to undertake file making activity, which was hitherto undertaken as an individual activity by the members. Usually the contractors from the Bodinayakkanur supply the iron rods to the owners of the work shed, who in turn, hire women and supply the rods which are sharpened, sculpted and polished by the women. The women are experts in producing different kinds of files

Chitra used to work as a wage earner in one of the work-shed at Rangarampatti. Hardly the income she earned was enough to make both the ends meet. She decided to become the owner of the work-shed taking the activity as collective enterprise. She applied for sangha loan as well as bank loan and constructed a work shed nearby.

Thus Chitra started the micro enterprise with initial investment of Rs. 1, 17,000 (22,000 from the group + 95,000 from bank) and 8 women are engaged by her on daily wage basis who get continuous wage opportunities throughout the year.

SHG Bank Linkage Loan facilities availed by Chitra

S. No.	Sangha Loan	Bank Loan
1	3000	20000
2	4000	30000
3	5000	20000
4	10000	25000
Total	22000	95000

Her husband helps her in procuring the raw materials and transporting the finished goods to the marketing centers.

Following are the laudable awards of Chitra.

- She received the best entrepreneurship award of Indian Bank Special Unit for Micro Credit in 2006.

A person who never stepped into bank has learnt all the formalities of banking system. She trained the women to produce 12 types of files. The SHG women were able to get a profit of Rs. 6000/month out of which she renovated her house and built an annexure cum work shed. Due to implementation of NREGP almost all the women find it lucrative to take up pond desilting work, creating a drastic scarcity for non farm work . Chitra tactfully managed the situation and retained the eight workers for file making by giving them an advance amount of Rs. 15,000/-. She installed a motor to facilitate the blowing work at a cost of Rs. 10,000/-. She started a recurring deposit of Rs.1000/- in the nearby post office in the name of her daughters. She has also purchased two sovereigns of gold with long term vision.

Her future vision is to integrate the activity along with the file making unit of Chinnalapatti and make it a sustaining enterprise, hats off to Chitra for her sustainable vision. “We are proud that our status has improved from wage earner to owners of work shed. We are no longer at the mercy of intermediaries, thanks to Indian Bank and Gandhigram Trust. We spend the profit for education of children, we have renovated our house and we have plans to expand our business by starting more work sheds”, says Chitra with a proud smile. The members may be provided with infrastructural facilities such as work sheds to carry on the activities on an expanded scale. A common facility

centre may be constructed to provide technology related facilities to the members engaged in file making activities

CASE STUDY 2 --It pays off to get rid of plastic waste – Panjampatti Federation shows the way for collective entrepreneurship-Case study

Panjampatti SHGs Dindigul district, TamilNadu make money by recycling plastic waste while keeping surroundings clean. Making every panchayat a plastic litter free zone is noble ambition of the district administration. But making it happen is a daunting task for almost all village panchayats. Many panchayats have successfully managed to collect plastic waste. But they face difficulty in disposing it off safely or re-use them properly. But N.Panjampatti village panchayat, Dindigul district has shown the way in not only collecting plastic wastes successfully but also disposing them off efficiently through recycling, thus making the panchayat a plastic waste free zone. Now, roads at Panjampatti are clean and plastic waste cannot be seen in open areas or on road sides. The entire credit goes to three SHGs Marudham, Thaazhambu and Janaki. They collect waste from all sources, including houses, and convert them into shredded plastics and pellets. “We supply shredded plastics for laying asphalt roads, and pellets to tube making units”, says the head of the Unit and President of the Panchayat Lavel Federation.

The federation procures waste from those who collect at Rs.5/kg and sell finished product at Rs.25 per Kg. They have invested three lakhs on machineries. With a sharp increase in demand for pellets and shredded wastes, raw materials (plastic waste) requirement has also gone up manifold for this unit. Now, the unit has started procuring plastic waste from nearby village and town panchayat also. Besides ensuring sustainable income for rural women, the SHGs also protect the environment and help keep the surroundings clean. DRDA, women Development Corporation and Village Panchayat administration bolster their hands in achieving this goal. While the Panchayat offers its building for housing the plastics recycling unit, the DRDA has granted funds for buying machineries such as shredder, plastic cleaner, and plastic pellet maker. The DRDA has plans to construct another building for them to stock their finished products as the existing room is insufficient to store the finished goods. This unit has become a role model for other panchayat Federation. Many panchayat presidents and

SHG members have visited the unit to get hands on experience. “We have planned to adopt this model in other panchayat to make the district plastic free”, said the collector. The district administration has recommended participation of N.Panjampatti in the next NREGS mela in Delhi, said APO.

2.12 SUMMING UP

There is greater awakening among women. Given an opportunity they will deliver the results. In education they have not only excelled but also become top makers. Like wise in office and industry many have shown brilliant results. The need of the hour is to provide an opportunity in a conducive atmosphere free from gender differences. The need for awareness to be an active member of the society and courage to correct the attitudes of male counterparts is great challenges today.

Entrepreneurship plays a premier role in the economic development of a country.. Men have been the part of the entrepreneurial culture for long. It is only recently that Indian women joined their counterparts. They have steadily moved from the status of housewives to dedicated women, employed women and now women entrepreneurs. They are contributing their share towards economic development of the country though not equally .Initially they confined themselves do the traditional business of pickle and pappad making But now they are visible in the technical fields such as engineering and electronics. Government support and social changes have been largely responsible for the development of women entrepreneurs. But still growth is not satisfactory. Women entrepreneurs constitute a negligible proportion of the total number of entrepreneurs. An array of factors could be ascribed as hindering the growth of women entrepreneurs. To rectify the situation a lot is needed to be done on the part of the government, women themselves and the society at large. Women entrepreneurship has crossed the stage of transition but still there is a long way to go. The need of the hour is the creation of congenial social, political and economic environment where the entrepreneurial skill of women can be nurtured and developed.

2.13 GLOSSARY

Industrial Development Bank of India: IDBI Bank Ltd. is a Universal Bank with its operations driven by a cutting edge core Banking IT platform. The Bank offers personalized

banking and financial solutions to its clients in the retail and corporate banking arena through its large network of Branches and ATMs, spread across length and breadth of India. IDBI Bank is the youngest, new generation, public sector universal bank that rides on a cutting edge core banking Information Technology platform. This enables the Bank to offer personalized banking and financial solutions to its clients. The Bank had an aggregate balance sheet size of Rs. 3,22,769 crore and total business of Rs 4,23,423 crore as on March 31, 2013. IDBI Bank's operations during the financial year ended March 31, 2013 resulted in a net profit of Rs. 1882 crore.

2.14 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress Exercise 1

1. The Small Industries Development Bank of India (SIDBI) has developed a fund called 'Mahila Vikas Nidhi' for the development of women entrepreneurs in rural areas. The State Bank of India has introduced the "Shree Shakti Package for women entrepreneurs' to provide them concessions and special training facilities. The Mahila Udayam Nidhi Scheme' introduced by the Industrial Development Bank of India (IDBI) provides equity type of assistance to women entrepreneurs for setting up new industrial projects in small sector. The Rashtriya Mahila Kosh' was set up in 1993 to grant micro credit to poor women entrepreneurs at nominal rates of interest involving simple procedures. NAYE has set up a women wing, in 1975 to impart training to women entrepreneurs and organize exhibitions for products of women entrepreneurs. The Federation of Indian Chamber of Commerce and Industry (FICCI) have also started FICCI's Ladies Organization (FLO) to look after the protection and development of women entrepreneurs.

Check Your Progress Exercise 2

1. There exists a strong connection between the presence of role of models and the emergence of entrepreneurs and women as they historically have not been present as entrepreneurs in general lack close role models. Role models are persons who by their attitude, behavior and action establish the desirability and credibility of a choice of becoming an entrepreneur. Furthermore the influence of role model is gender-related. An individual's aspirations and choices tend to be more influenced by persons of the same sex. Furthermore the influence of self-employed parents is gender specific i.e a son is

more likely to become self-employed if the father was self-employed than a daughter would be. Having a self employed father strongly influences a man's decision to become self-employed. For example if father is a business magnet, the son follows suit; but it is rare to see the daughters following the business of father. If father is a lawyer, son becomes a lawyer after completing the educational career. If father is doctor, it is common to see son becoming a doctor. If father is architect, son also follows the same career.

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2.16 QUESTIONS FOR REFLECTION AND PRACTICE

1. Who is a woman entrepreneur?
2. What are the specific barriers to women entrepreneurship?
3. Discuss the entry obstacles to women entrepreneurship?
4. What are the market related risks for women entrepreneurs?
5. Suggest measures to promote women entrepreneurship in India?