This chapter has briefly touched upon various aspects of entrepreneurship, such as concept of entrepreneurship, theories of entrepreneurship, problems of women entrepreneurship and role of various financial institutions and government supporting agencies in sustaining women entrepreneurs. It also deals with an overview of Himachal Pradesh, statement of the problem, objectives of the study, hypotheses of the study and justification of variables used in the study.

In India, concept of women entrepreneurship is of recent origin. Women have become aware about their rights and entered in different fields of business. They have established their own successful business empires. They are contributing towards the growth of economy and improvement of their socio-economic conditions. Women workforce ratio in the country is increasing due to increase in the women literacy rate in India. Government of India has also given appropriate importance to women entrepreneurship in the country and several schemes have been introduced for the development of women entrepreneurs.

Entrepreneurship has been a male-dominated phenomenon from the very early age, but time has changed the situation and brought women as today’s most memorable and inspirational entrepreneurs. It is estimated that women entrepreneurs presently comprise about 10% of the total number of entrepreneurs in India, with the percentage growing every year. If the prevailing trends continue, it is likely that in another five years, women will comprise 20% of the entrepreneurial force (Saidapur, 2012).

Entrepreneurship is essential for increasing production, utilizing materials and employing human resources and improving the problems of unemployment. The basic objective of developing entrepreneurship is to enable the society to generate productive human resources as well as to mobilize and sustain them for the subsequent process of development (Begam, 2006).

Women entrepreneurs are becoming alarming force to consider within the business world and they are not only involved in business for survival, but to satisfy their inner urge of creativity and to prove their capabilities. Educated women is contributing to a great extent to the social transformation and in the future, it will be seen that more women venturing into areas traditionally dominated by men (Masood, 2011).
Today, many women have established their own economy, i.e. entrepreneurial empire and are now ruling their world as they wished to. The hidden entrepreneurial potentials of women have gradually been changing with the growing sensitivity to the role and economic status in the society. Skill, knowledge and adaptability in business are the main reasons for women to emerge into business ventures. They are successful in all spheres and have shifted from kitchen to higher level of professional activities. After two decades of independence, incredible changes have been noticed in the status of the women in Indian society. Thus, it is necessary to understand the various changes that took place in the status of women in India.

“You can tell the condition of a nation by looking at the status of its women”

-Jawaharlal Nehru

1.1 Status of Women in India

The status of women in India has been subject to huge alterations over the past few millennia. From equal status with men in ancient times through the low points of the medieval period, to the promotion of equal rights by many reformers, the history of women in India has been hectic (Jayapalan, 2001, p. 145).

In Hindu scriptures, a woman is admired and preached in the name of Durga, Saraswati, Parvati and Kali, but in real life she is treated as abla (weak and dependent). Women in traditional societies are still confined to the four walls of home, children, household affairs and family rituals. Very few get the opportunity to come out of the four walls and enter economic activities (Ahuja, 2011).

Since ages India has been men-dominated country, but time is changing now. Women in India have outraged the fact that since hundreds of years they had been following the orders of men. At present they know their rights and duties and with the spreading awareness amongst the women, they are now no less than the men. They are walking with men at the same pace in each and every field (Ganeshmurthy, 2008).

The contribution of women is omnipresent and all pervasive in every sphere of life as India seeks to march steadily towards the path of growth. All these become possible only with the active participation of women who are the catalysts of qualitative growth of future generation as well. Efforts during the post-independence era got a shot in the arm when Mrs. Indira Gandhi became the first lady Prime
Minister. Women got empowered and moved to participate further in all spheres of services, such as industrial, financial, administrative, judicial and education. Women in India are playing an important role in the country’s governance (Kumar, 1993).

Women constitute an important segment of the society and shape the entire future of the humanity and nation. It has been rightly said that behind every successful man there is a woman. This clearly indicates that women as an integral part of our society have a vital role not only for rearing and bearing the children, but also for the personality development of our future generation and development of the nation as whole.

It is believed that women benefited equal status with men in all spheres of life in ancient India. In the early Vedic period women were educated. In the Vedic society, the girls as well as the boy were required to undergo Upanayam ceremonies in order to be initiated to the Vedic studies. There was an enormous change in the role of women after 300 B.C. During this period, son was considered to be superior than daughter. Many young women renounced their homes and joined the Buddhist and Jaina monasteries. It is also presumed that one of the reasons for practice of early marriages of the girls is to prevent them from joining monastic life (Jayapalan, 2001, p. 154).

During the nineteenth century, women were viewed as homemakers, not able to perform in society with men. They were degraded and dishonored by men to believe that they were worth almost nothing, only worthy of bearing children. This superfluous male domination leads to many women feeling trapped in their own homes, unable to escape from the confinements placed on them by their husbands (Perkins & Gilman, 1978).

In the nineteenth century, there was a change in the outlook of the society. Various legislative measures were brought about for the protection and upliftment of women in the society. Women education was considered integral part and facilities for the same was provided. Various voluntary organizations and women leaders created political awareness among women which led to a great change in their role. Thus, women entered in teaching and nursing profession by the end of nineteenth century.

The nineteenth century started a wave of revolution. Advancements were being made in almost every aspect of daily life. People could use electric lights, travel
across the country on a railroad, or make use of the new method of transportation, the automobile. Perhaps one of the greatest advancements made in this period of one hundred years was the role women played in society. They were no longer bound to their households, doing daily chores. Instead, they were out there, among the masses, making a difference and trying to change the way they were viewed. In the wake of the industrial age, many job opportunities became available for women. Changing roles and responsibilities of women made employment a matter of economic survival. Women were employed in factories due to the introduction of new machineries and it leads to increase in the status of household members. This became the new face of women, out in the workforce and independent (Kabeer, 2012).

Political awareness is one of the major components in the empowerment of women. Political awareness includes knowledge of the political system, knowledge about the state, legislative assemblies, legislative council, Governor, Lok Sabha and Rajya Sabha, The President, Parliamentary democracy, party system, ideologies of different political parties, the process of election, the franchise as well as the knowledge of local (urban and rural) self-Governments (Tiwari, 2012).

Indira Gandhi made a great impact on the Indian democracy. She was the first women Prime Minister of India and she rose to be one of the most powerful people in the world. Then there is Mamta Banerjee who came from West Bengal with the popular mass base support she raised as a powerful political leader. Then there is Sonia Gandhi who is right now one of the most powerful women in the world. She is a leader of Congress. The first women President Pratibha Singh Patil was elected only after 50 years after independence.

In developing countries like India, earlier marriage was the only career for most women. Women were restricted to selected professions, such as teaching, nursing and office work. Over the years, more and more women are going in for higher, technical and professional education (Mathur, 2011).

In modern India, women have adorned high offices including that of the President, Prime minister, Speaker of the Lok Sabha and Leader of the Opposition. As of 2012, the President of India, the Speaker of Lok Sabha and the Leader of the Opposition in Lok Sabha (Lower House of the Parliament) are all women (Rao & Prasad, 2012).
In former days, for women there were 3 Ks- Kitchen, Kids, Knitting, then came 3 Ps- Powder, Papad, Pickles and now at present there are 4 Es- Electricity, Electronics, Energy, Engineering (Mangayarkarasi, 2013, p. 150).

Women entrepreneurs manufacturing solar cookers in Gujarat, small foundries in Maharashtra and T.V. capacitors in Orissa have proved beyond doubt that given the opportunities, they can excel their male counterparts. Smt. Sumati Morarji (Shipping Corporation), Smt. Yumutai Kirloskar (Mahila Udyog Limited), Smt. Neena Malhotra (Exports) and Smt. Shahnaz Hussain (Beauty Clinic) are some exemplary names of successful and talented women entrepreneurs in our country (Rahman & Thakur, 2009).

Women constitute almost half of the total population in the world. But their representation in gainful employment is comparatively low. In most countries, average earnings of women are lower than those of men (Mathur, 2011). Women work participation has also been increasing since last few years in different countries of the world. Women work participation in the year 2000-01 was highest is in U.S.A., i.e. 45% and lowest in India, i.e. 31.6%. Women work participation percentage in some countries of the world is depicted in table 1.1.

Table 1.1

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>India (1970-71)</td>
<td>14.2</td>
</tr>
<tr>
<td>India (1980-81)</td>
<td>19.7</td>
</tr>
<tr>
<td>India (1990-91)</td>
<td>22.3</td>
</tr>
<tr>
<td>India (2000-2001)</td>
<td>31.6</td>
</tr>
<tr>
<td>USA (2000-01)</td>
<td>45.0</td>
</tr>
<tr>
<td>UK (2000-01)</td>
<td>43.0</td>
</tr>
<tr>
<td>Indonesia (2000-01)</td>
<td>40.0</td>
</tr>
<tr>
<td>Sri Lanka (2000-01)</td>
<td>35.0</td>
</tr>
<tr>
<td>Brazil (2000-01)</td>
<td>35.0</td>
</tr>
</tbody>
</table>

Source: http://www.internationalentrepreneurship.com/total

Now due to reasons like education and women empowerment, women entrepreneurship has been recognized all over the world as a vital ingredient of economic development. Although there are lots of problems in the way of women entrepreneurship yet with the support of family and government the prospects of women entrepreneurship can become bright (Collan & Parikh, 2012, p. 12).
CHAPTER-1

INTRODUCTION

Our society needs to bring about attitudinal change with regards to role of women as an entrepreneur. This will ensure appropriate environment for them in order to demonstrate their talents. Ultimately, women entrepreneurship has great importance from the national perspective. It provides great sense of independence, economic and social satisfaction to women entrepreneurs.

The overall discussion asserts that the status of women entrepreneurs has gone radical change in few decades and their financial, decision and social status has also changed due to changing roles and responsibilities in the society. Nowadays, due to education, awareness and special privileges women have entered into different fields of business and their performance is quite satisfactory. In spite of numerous successful women entrepreneurs in different states of the country still there is need to understand the various unidentified facets of women entrepreneurs. Hence, it is necessary to understand, what is the financial, decision making and social status of women entrepreneurs for the present study.

1.2 Concept of Entrepreneurship

Entrepreneurship has gained currency across the globe and female entrepreneurship has become an important module. India is one of the fastest emerging economies and the importance of entrepreneurship is realized across the gamut. Few definitions of entrepreneurship are described below:

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. An entrepreneur is a person, who specializes in taking judgmental decisions about the coordination of scarce resources (Casson, 1982).

Entrepreneurship is a dynamic process created and managed by an individual, the entrepreneur, who strives to exploit economic innovation to create new value in the market toward achieving a particular need (McClelland, 1961).

Entrepreneur is an innovative agent, who introduces something new into the economy, such as a new product, a new method of production, a new source of material and new markets. An entrepreneur’s function is to revolutionize the pattern of production by exploiting an invention or introducing an untried technological possibility for producing a new commodity (Schumpeter, 1971).
Entrepreneurship can be conceptualized as the discovery of opportunities and the consequent creation of new economic activity, often via the creation of a new organization (Reynolds, 2005).

The entrepreneurial function implies the discovery, assessment and exploitation of opportunities, in other words, new products, services or production processes; new strategies and organizational forms and new markets for products and inputs that did not previously exist (Shane & Venkataraman, 2000).

There are only 3 factors of production: machinery, capital and labour, among which the entire produce is distributed as rent, profit and wages respectively. Researcher appreciated the virtues of profit in capital accumulation. Profit leads to saving of wealth which ultimately goes to capital formation (Ricardo, 1817, p. 47).

Entrepreneurship is the function of considering investment and production opportunity by organizing an enterprise to undertake a new production process; by raising capital, hiring labour, arranging the supply of raw materials, finding a suitable site, introducing new techniques and commodities, discovering new sources of raw materials and selecting an efficient top managers for day to day operation of the enterprise (Higgins, 1957).

Entrepreneurship is neither a science nor an art, it is a practice. It has a knowledge base. Knowledge in entrepreneurship is a means to an end. Indeed, what constitutes knowledge in practice is largely defined by the ends, that is, by the practice (Drucker, 1986).

According to government of India, “An enterprise owned and controlled by a women having a minimum financial interest of 51% of capital and giving at least 51% of the employment generated by the enterprise to women”.

Women entrepreneur is a person who accepts challenging role to meet her personal needs and become economically independent. A strong desire to do something positive is an inbuilt quality of entrepreneurial women, who is capable of contributing values in both family and social life.

In all definitions, entrepreneurship refers to the functions performed by an entrepreneur in establishing an enterprise. It refers to the process involving various actions to be undertaken to establish an enterprise. It is a process of giving birth to a new enterprise.
Thus, entrepreneurship shows the path to women independence and in turn satisfies the needs and aspirations for better living standard. In recent years, women have shown an inclination toward taking self-oriented jobs and professions with their family support, financial assistance and industrial guidance.

1.3 Theories of Entrepreneurship

Several theories about ‘entrepreneur’ and ‘entrepreneurship’ have been established in the past; and each of these theories emphasizes one or the other specific aspect of entrepreneurship. The theories advocated by economists attempt to define: Who is an entrepreneur? What is the role of an entrepreneur? An analysis of the entrepreneurial theories proposed by various experts will help in understanding the complex nature of entrepreneurship.

1.3.1 A Function of Innovation: Joseph A. Schumpeter (1934)

Schumpeter considered the entrepreneur as an innovator if he/she acts as a catalyst by his/her innovative ideas and introduces dynamism in the economy. He/she would then bring about development by intruding and altering the stagnant circular flow of the economy. He considers that innovation can take the following forms:

a) Introduction of a new product.
b) Introduction of a new improved technology for the production of an already existing product.
c) Opening up of a new market into which a specific product has not been introduced so far.
d) Discovery of new sources of supply of raw materials.
e) Introduction of new form of organization.

Schumpeter also makes a distinction between an inventor and an innovator. While the inventor finds out new methods, techniques, materials, product, the innovator uses such inventions and discoveries to produce and offer new products to the economy. He calls an entrepreneur as an innovator.

1.3.2 Theory of Uncertainty: Knight (1957)

Knight considers that the main function of an entrepreneur is to act in anticipation of future events. He also recognizes that an entrepreneur earns profit because he/she undertakes risks. He classifies risk into two parts i.e. insurable risk and non-insurable risk. Knight says that taking suitable insurance policy can insure some
risks; while taking suitable safeguards one can protect others that may not produce any profit. The burden of facing those risks that are non-insurable falls on the entrepreneur and he/she earns his/her profit for bearing the non-insurable risk. While fire, accident, theft, etc. are some of the insurable risks; changes in demand or fashion, entry of competitors, depletion of raw material and change in political situation of the country are some of the non-insurable risks. Knight calls the non-insurable risk as uncertainty. According to him, uncertainty bearing is an essential element of entrepreneurship.

1.3.3 A Function of High Achievement: McClelland (1961)

McClelland states that a business man who simply behaves in traditional ways is not an entrepreneur. Moreover, entrepreneurial role appears to call for decision making under uncertainty. McClelland identified two characteristics of entrepreneurship firstly “doing things in a new and better way” and secondly “decision making under uncertainty”. Persons with high achievement would take moderate risks. They would not behave traditionally (no risk). The high achievement is associated with better performance at tasks which require some imagination, mental manipulation or new ways of putting things together, and such people do better at non routine task that require some degree of initiative or even inventiveness. People with high achievement are not influenced by money reward as compared to people with low achievement. People with low achievement are prepared to work harder for money or such other external incentives. For people with high achievement, profit is a measure of success and competency.

1.3.4 A Function of Managerial Skill and Leadership: Hoselitz (1952)

Hoselitz states that a person who is to become an industrial entrepreneur must have additional personality traits. In addition to being motivated by the expectations of profit he must also have some managerial abilities and more important he must have ability to lead. Hoselitz maintains that financial skills have only a secondary consideration in entrepreneurship. According to him managerial skills and leadership are the important facts of entrepreneurship. He identifies three types of business leadership in the analysis of economic development of under-developed countries:

a) The merchant money lender type.

b) The managerial type.

c) The entrepreneur type.
1.3.5 A Function of Social, Political and Economic structure: John Kunkel (1965)

John Kunkel states that the industrial entrepreneurship depends upon four structures which are found within a society or community.

a) Limitation Structure: The society limits specific activities to members of particular sub cultures. This limitation structure affects all the members of a society.

b) Demand Structure: The limitation structure is basically social and cultural but the demand structure is mainly economic. The demand structure is not static, and changes with economic progress and government policies. Demand structure can be improved by providing material rewards.

c) Opportunities Structure: This structure is necessary to increase the probability of entrepreneurial activity. The opportunity structure constitutes the availability of capital, management and technological skills, information concerning production methods, labours and markets. All the activities associated with the effective planning and successful operation of industrial enterprises.

d) Labours Structure: Kunkel argues that the labours supply cannot be viewed on par with the supply of other material conditions like capital. He states that labours means ‘men’ and is a function of several variables. The supply of factory labour is governed by available alternative means of livelihood, traditionalism and expectations of life.

1.3.6 A Function of Group Level Pattern: Frank W. Young (1971)

Frank W. Young was reluctant to accept the entrepreneurial characteristics at the individual level. According to him, instead of individual, one must find clusters which may qualify itself as entrepreneurial groups, as the groups with higher differentiation have the capacity to react. He defined ‘reactiveness’ or ‘solidarity’ as the degree to which the members of the group create, maintain and project a coherent definition of their situation; and ‘differentiation’ is defined as the diversity, as opposed to coherence, of the social meanings maintained by the group, when a group has a higher degree of institutional and occupational diversity, relative to its acceptance, it tends to intensify its internal communication which gives rise to a unified definition of the situation.
1.3.7 Theory of H. N. Pathak (1991)

According to Pathak, entrepreneurship involves a wide range of areas regarding which a series of hard decisions are to be taken. There are number of entrepreneurs emerging from diverse activities having multiple dimensions.

a) Profession based- like engineering, medical, agricultural and industrial entrepreneurs.

b) Behavior based- like innovation, imitative, fabian and drone entrepreneurs.

In behavior-based categorization, there could be as many categories as there are traits; however, the term entrepreneur increasingly is crossing the occupation boundaries and getting associated with the set of behavior characteristics. There are several studies dealing with various aspects of industrial entrepreneurship that deal with the socio-economic background of the different types of entrepreneurs, their problems and attitude of the government towards industries.

1.3.8 Biological Theory of Entrepreneurship: Eagly (1995)

According to Eagly various academic theories of gender differences offer explanations based on deeply seated cultural or even biological differences between men and women. The practitioner literatures are also particularly likely to emphasize gender differences, construing them as core aspects of what it means to be a man or a woman in the entrepreneurial process. However, other especially role-based theories emphasize that gender differences in behavior should be expected to change along with other social changes. Moreover, even theories of more stable gender differences generally also admit the co-existence of more malleable gender differences.

With the evolution of concept of entrepreneurship, different scholars have posited different characteristics that they believe are common among most entrepreneurs. By merging the above incongruent theories, a generalized set of entrepreneurship qualities can be developed. In general, entrepreneurs are risk-bearers, coordinators and organizers, gap-fillers, leaders, and innovators or creative imitators. Although this list of characteristics is by no means fully comprehensive, it can help in explaining why some people become entrepreneurs while others do not. The theories of entrepreneurship attempts to link entrepreneurship and profits. However, researcher like Schumpeter who views an entrepreneur as an innovator fail to link the process of innovation and entrepreneurship in a situation whereby a new product/process/service has been introduced and profit is not realized. Various authors
have analyzed entrepreneurship behavior from different approaches. However, no single factor works as the only determining variable for the phenomenon of entrepreneurship.

1.4 Problems of Women Entrepreneurship

Women entrepreneurs encounter two sets of problems, i.e. general problems of entrepreneurs and problems specific to women entrepreneurs (Desai, 1994). Various problems associated with the women entrepreneurship are discussed below:

1.4.1 Financial Problems

Finance is regarded as “life blood” for any enterprise, be it big or small. However, women entrepreneurs suffer from shortage of finance on two counts. Firstly, women do not generally have property on their names to use them as collateral for obtaining funds from external sources. Thus, their access to the external sources of funds is limited. Secondly, the banks also consider women less credit-worthy and discourage women borrowers on the belief that they can at any time leave their business. As a result, women entrepreneurs are bound to rely on their own savings only. Thus, women enterprises fail due to the shortage of finance.

1.4.2 Scarcity of Raw Material

Most of the women enterprises are plagued by the scarcity of raw material and necessary inputs. The failure of many women co-operatives in 1971 engaged in basket making is an example how the scarcity of raw material sounds the dearth-knell of enterprises run by women (Gupta & Khanka, 1996).

1.4.3 Stiff Competition

Women entrepreneurs do not have organization set-up to pump in a lot of money for canvassing and advertisement. Thus, they have to face a stiff competition for marketing their products with both organized sector and their male counterparts. Such a competition ultimately results in the liquidation of women enterprises.

1.4.4 Production Problems

Coordinating factors of production are really challenging to women entrepreneurs. Women entrepreneurs cannot easily co-ordinate the production process particularly with the ever changing technology. Very few women can endure such production instants. Women who aspire to become entrepreneurs cannot keep pace
with technology progressions. This puts down their initiative to become entrepreneurs.

1.4.5 Family Ties

In India, it is mainly a woman’s duty to look after the children and other members of the family. Man plays a secondary role only. In case of married woman, she has to strike a fine balance between her business and family. Her total involvement in family leaves little or no energy and time to devote for business. Support and approval of husbands seem necessary condition for women’s entry into business. Accordingly, the educational level and family background of husbands positively influence women’s entry into business activities.

1.4.6 Lack of Education

In India, around three-fifth (60%) of women are still illiterate and illiteracy is the root cause of socio-economic problems. Due to the lack of education and that too qualitative education, women are not aware of business, technology and market knowledge. Also, lack of education cases low achievement motivation among women. Thus, lack of education creates problems for women in the setting up and running of business enterprises.

1.4.7 Male Dominated Society

Male chauvinism is still prevailing in India. The constitution of India speaks of equality between sexes. But, in practice women are looked upon as abla, i.e. weak in all respects. Women suffer from male reservations about a women’s role, ability and capacity and are treated accordingly. In nutshell, in the male-dominated Indian society, women are not treated equal to men. This in turn, serves as a barrier to women entry into business.

1.4.8 Low Risk-Bearing Ability

Women in India lead a protected life. They are less educated and economically not self-dependent. All these reduce their ability to bear risk involved in running an enterprise. Risk bearing is an essential requisite of a successful entrepreneur. In addition to above problems, inadequate infrastructural facilities, shortage of power, high cost of production, social attitude, low need for achievement and socio-economic constraints also hold the women back from entering into business.

In the light of numerous thoughts and discussions, women entrepreneurship has been recognized as an important untapped source of economic growth. Women
entrepreneurs create new jobs for themselves and others and by being different also provide society with different solutions to management, organization and business problems as well as to the exploitation of entrepreneurial opportunities. However, they still represent a minority of all entrepreneurs in the country. Consequently, there exists a market failure discriminating against women’s possibility to become entrepreneurs and their possibility to become successful entrepreneurs. Therefore, it becomes important to study different problems encountered by women entrepreneurs in running their business enterprises.

1.5 Women in Micro Small and Medium Enterprises (MSMEs)

Women are playing indispensable role in the economic development of the nation. Over the years women’s labour force participation is continuously increasing and holding the key positions in private as well as government sector. The Micro, Small and Medium Enterprises (MSMEs) today constitute a very important segment of the Indian economy. It helps in reduction of poverty and promotes self-reliance among people. Women especially in rural areas are actively involved in economic activities not only as hired workers but also as budding entrepreneurs.

The definitions of Micro, Small and Medium Scale industrial enterprises in manufacturing and services sectors were notified vide notification no. 4(1)/2006-MSME Policy I dated 29-9-2006. As per the new definitions, the classification of enterprises is depicted in table 1.2.

Table 1.2

<table>
<thead>
<tr>
<th>Classification of Industrial Enterprises</th>
<th>Limit for Manufacturing Enterprises. (In plant and Machinery)</th>
<th>Limit for Service Enterprises. (In plant and Machinery)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro Enterprises</td>
<td>up to Rs. 25 Lakh</td>
<td>up to Rs. 10 Lakh</td>
</tr>
<tr>
<td>Small Enterprises</td>
<td>Above Rs. 25 Lakh and up to Rs. 5 crore</td>
<td>Above Rs. 10 Lakh and up to Rs. 2 crore</td>
</tr>
<tr>
<td>Medium Enterprises</td>
<td>Above Rs. 5 crore and up to Rs. 10 crore</td>
<td>Above Rs. 2 crore and up to Rs. 5 crore</td>
</tr>
</tbody>
</table>

Source: MSME Annual Report, 2010-11

The development of this sector came about primarily due to the vision of our late Prime Minister Jawaharlal Nehru who sought to develop core industry and have a
supporting sector in the form of small scale enterprises. Micro, Small and Medium Enterprises (MSMEs) sector has emerged as a vibrant and exciting sector of the economy. Today, it accounts for nearly 35% of the gross value of output in the manufacturing sector and over 40% of the total exports from the country. In terms of value added, this sector accounts for about 40% of the value added in the manufacturing sector. The contribution of this sector to employment is second highest next to agriculture (Vadera & Kulshrestha, 2010). The characteristics of Micro, small and medium enterprises (MSMEs) in India are depicted in table 1.3.

Table 1.3

Characteristics of MSME Sector in India

<table>
<thead>
<tr>
<th>Nature of Activity</th>
<th>Total No. of Enterprises (Lakh)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total No. of Enterprises (Lakh)</td>
<td>15.64</td>
<td></td>
</tr>
<tr>
<td>No. of Rural Enterprises (Lakh)</td>
<td>7.07</td>
<td>45.23</td>
</tr>
<tr>
<td>No. of Women Enterprises (Lakh)</td>
<td>2.15</td>
<td>13.72</td>
</tr>
<tr>
<td>No. of Enterprises by Type: (Lakh)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Micro Enterprises</td>
<td>14.85</td>
<td>94.94</td>
</tr>
<tr>
<td>Small Enterprises</td>
<td>0.76</td>
<td>4.89</td>
</tr>
<tr>
<td>Medium Enterprises</td>
<td>0.03</td>
<td>0.17</td>
</tr>
<tr>
<td>Enterprises by Type of Operation: (Lakh)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perennial</td>
<td>15.14</td>
<td>96.81</td>
</tr>
<tr>
<td>Non Perennial</td>
<td>0.50</td>
<td>3.19</td>
</tr>
<tr>
<td>Enterprises by Type of Activity: (Lakh)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>10.49</td>
<td>67.10</td>
</tr>
<tr>
<td>Repair and Maintenance</td>
<td>2.52</td>
<td>16.13</td>
</tr>
<tr>
<td>Services</td>
<td>2.62</td>
<td>16.78</td>
</tr>
<tr>
<td>Employment by Type: (Lakh)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Micro Enterprises</td>
<td>65.34</td>
<td>70.19</td>
</tr>
<tr>
<td>Small Enterprises</td>
<td>23.43</td>
<td>25.17</td>
</tr>
<tr>
<td>Medium Enterprises</td>
<td>4.32</td>
<td>4.64</td>
</tr>
<tr>
<td>Employment by Gender: (Lakh)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>74.05</td>
<td>79.55</td>
</tr>
<tr>
<td>Female</td>
<td>19.04</td>
<td>20.45</td>
</tr>
</tbody>
</table>

Source: MSME Annual Report, 2010-11
1.6 Entrepreneurship Development Programmes (EDPs)

Entrepreneurship Development Programme (EDP) refers to a programme designed to help a person in strengthening his/her entrepreneurial motive and in acquiring skills and capabilities necessary for playing his/her entrepreneurial role efficiently. It is essential to promote his/her understanding to motives, motivation pattern, their impact on behaviour and entrepreneurial value. A programme which seeks to do this can qualify to be called as EDP (Mohanty, 2005). The objective of organizing entrepreneurship development programmes is to promote self-employment through establishment of tiny/cottage industries. Entrepreneurship Development Programmes/Industrial Awareness Programmes are organized at various places across the state for the benefit of rural educated unemployed youth. The brief overview of different types of Entrepreneurship Development Programmes/Industrial Awareness Programmes is described below:

1.6.1 Industrial Awareness Programmes (IAPs)

Industrial Awareness Programmes (IAPs) are organized in various parts of the state to generate industrial/business awareness and to educate the potential entrepreneurs about the latest incentives and facilities offered by the support system. The duration of each programme is three days.

1.6.2 Short Term Entrepreneurship Development Programme (EDPs)

The Short Term Entrepreneurship Development Programmes (EDPs) are organized, so that the message of industrialization is carried to the general masses especially to the rural educated youth, who are unaware of the self-employment opportunities provided by the industries. The duration of Short Term Entrepreneurship Development Programme is one week.

1.6.3 Short Term Product Specific EDPs

The short term product specific EDPs are organized for a duration of 2 weeks in which practical training is provided to the trainees in respect of product specific trades, such as computer application, mobile repair, fruit and vegetable processing, bag making, etc.

1.6.4 Long Term Product Specific EDPs

Long term EDPs are organized for a period of one month in which detailed practical training is provided to the participants in the trades of screen printing, beauty
parlours, auto repairs, fashion designing, etc. The indicative list of training programmes offered by the government agencies are itemized in table 1.4.

Table 1.4
Indicative List of Training Programmes

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Indicative List of EDPs/IAPs Programmes</th>
<th>Sr. No.</th>
<th>Indicative List of EDPs/IAPs Programmes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Fruit and vegetable processing</td>
<td>10.</td>
<td>Screen printing</td>
</tr>
<tr>
<td>2.</td>
<td>Computer application</td>
<td>11.</td>
<td>Auto repairs</td>
</tr>
<tr>
<td>3.</td>
<td>Artificial flowers</td>
<td>12.</td>
<td>Mobile repair</td>
</tr>
<tr>
<td>4.</td>
<td>Bag manufacturing (school bags, ladies purse and fancy bags)</td>
<td>13.</td>
<td>Fashion designing</td>
</tr>
<tr>
<td>6.</td>
<td>Dhoop manufacturing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Namkeen manufacturing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Candle making</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>Beauty parlours</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Annual Administration Report 2010-11, Directorate of industries (H.P.)

The main purpose of such industrial promotion programmes is to develop the entrepreneurial traits amongst the local rural educated unemployed youth to take up self-employment ventures. The establishment of self-employment ventures has the potential to generate vast employment opportunities for the rural youth near their habitations. In Entrepreneurship Development Programmes women are given special preference and sometimes special Entrepreneurship Development Programmes (EDPs) are organized for the women candidates (Directorate of Industries, 2010-2011). The following agencies/organizations are engaged in imparting training programmes in Himachal Pradesh:

a) Himachal Consultancy Organization (HIMCON).

b) Himachal Pradesh Centre for Entrepreneurship Development (HPCED).

c) Himachal Productivity Council (HPC).

d) Small Industries Service Institute (SISI).
The detail of various Entrepreneurship Development Programmes/Industrial Awareness Programmes conducted by government agencies is mentioned in table 1.5 and 1.6.

Table 1.5
Detail of EDPs and IAPs Conducted for the Last 3 Years

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget Allocation (Rs. in Lakh)</th>
<th>Expenditure Incurred on EDPs/IAPs (Rs. in Lakh)</th>
<th>No. of EDPs Organized</th>
<th>Total No. of Persons Trained</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Normal Plan SCP TASP Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008-09</td>
<td>8.77 5.00 - 13.77</td>
<td>13.52</td>
<td>38</td>
<td>1011</td>
</tr>
<tr>
<td>2009-10</td>
<td>12.965 5.00 3.96 21.925</td>
<td>19.40</td>
<td>49</td>
<td>1253</td>
</tr>
<tr>
<td>2010-11</td>
<td>13.00 5.00 3.96 21.96</td>
<td>21.96</td>
<td>65</td>
<td>1479</td>
</tr>
</tbody>
</table>

Source: Annual Administration Report 2010-11, Directorate of industries (H.P.)

Table 1.6
Detail of EDPs/IAPs (Category wise)

<table>
<thead>
<tr>
<th>Programme</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SC ST Women PH Minority OBC Others Total</td>
</tr>
<tr>
<td>EDPs</td>
<td>35 01 92 - - 06 90 132</td>
</tr>
</tbody>
</table>

Source: Micro Small Medium Enterprises Annual Report, 2010-11

1.7 Women Empowerment and Planning Process in India

The all-round development of women has been one of the focal point of planning process in India. The First Five-Year Plan (1951-56) envisaged a number
of welfare measures for women. Establishment of the Central Social Welfare Board, organization of Mahila Mandals and the Community Development Programmes were a few steps in this direction.

In the **Second Five-Year Plan** (1956-61) the empowerment of women was closely linked with the overall approach of intensive agricultural development programmes.

The **Third and Fourth Five-Year Plans** (1961-66 and 1969-74) supported female education as a major welfare measure.

The **Fifth Five-Year Plan** (1974-79) emphasized training of women, who were in need of income and protection. This plan coincided with International Women’s Decade and the submission of report of the committee on the status of women in India. In 1976, Women’s Welfare and Development Bureau was set up under the Ministry of Social Welfare.

The **Sixth Five-Year Plan** (1980-85) saw a definite shift from welfare to development. It recognized women’s lack of access to resources as a critical factor impeding their growth.

The **Seventh Five-Year Plan** (1985-90) emphasized the need for gender equality and empowerment. For the first time, emphasis was placed upon qualitative aspects, such as inculcation of confidence, generation of awareness with regards to rights and training in skills for better employment.

The **Eight Five-Year Plan** (1992-97) focused on empowering women, especially at the grass roots level, through Panchayati Raj Institutions.

The **Ninth Five-Year Plan** (1997-2002) adopted a strategy of women’s component plan, under which not less than 30 percent of funds/benefits were earmarked for women-specific programmes.

The **Tenth Five-Year Plan** (2002-07) aims at empowering women through translating the recently adopted National Policy for Empowerment of Women (2001) into action and ensuring survival, protection and development of women and children through rights based approach.

The **Eleventh Five-Year Plan** (2007-12) lays down six monitorable targets (1) Raise the sex ratio for age group 0-6 from 927 in 2001 to 935 by 2011-12 and to 950 by 2016-17; (2) Ensure that at least 33% of the direct and indirect beneficiaries of all government schemes are women and girl children; (3) Reduce IMR from 57 to 28
and MMR from 3.01 to one per 1000 live births; (4) Reduce malnutrition among children of age group 0-3 to half its present level; (5) Reduce anaemia among women and girls by 50% by the end of the Eleventh Plan; and (6) Reduce dropout rate for primary and secondary schooling by 10% for both girls as well as boys.

1.8 Institutional Support to Women Entrepreneurs in India

When the UN declared 1975 as the International Women’s Year, the approach to women entrepreneurs began to change and the government announced various schemes to bringing women out from the household chores into the mainstream of industries. The various schemes of Government of India, such as Support for Training and Employment Programme (STEP), Development of Women and Children in Rural Areas (DWCRA), Integrated Rural Development Programme (IRDP) and Training of Rural Youth for Self Employment (TRYSEM) and Jawahar Rozgar Yojana (JRY) are providing help for the development of women entrepreneurs in the country. Another scheme, called the “Trade Related Entrepreneurship Assistance and Development” (TREAD) and “Indira Mahila Yojana” (IMY) are useful for the holistic empowerment of women.

Despite of several schemes/programmes established by the governments, women have no sufficient securities to offer or to take large amount of loans. To tackle this situation and to ensure adequate financial support to women enterprises, the Reserve Bank of India (RBI) took several initiatives. Women entrepreneurship is being given institutional support by types of agencies one at the national level and the other at the state level (Raghavalu, 2012). A brief description of the various types of institutional support at national as well as state level formulated and operated by such agencies are explained further.

1.8.1 All India Level Institutions

1.8.1.1 Small Scale Industries Board (SSIB)

The government of India constituted a board, namely, Small Scale Industries Board (SSIB) in 1954 to advice on development of small scale industries in the country. The SSIB is also known as central small industries board. The range of development work in small scale industries involves several departments/ministries and several organs of the central/state governments. Hence, to facilitate co-ordination and inter-institutional linkages, the small scale industries board has been constituted.
It is an apex advisory body constituted to render advice to the government on all issues pertaining to the development of small scale industries. The industries minister of the government of India is the chairman of the SSIB. The SSIB comprises of 50 members including state industry minister, some members of parliament and secretaries of various departments of government of India, financial institutions, public sector undertakings, industry associations and eminent experts in the field.

1.8.1.1 Small Industry Development Organisation (SIDO)

SIDO is created for the development of various small scale units in different areas. SIDO is a subordinate office of department of small scale industries and agro and rural industries. It is a nodal agency for identifying the needs of small industrial units and monitoring the policies and programmes for promotion of the small industries. It undertakes various programmes of training, consultancy, evaluation for needs of small scale industries and development of industrial estates. All these functions are taken care with 27 offices, 31 Small Industries Service Institutes, 31 extension centers of Small Industries Service Institutes and 7 centers related to production and process development.

1.8.1.2 Khadi and Village Industries Commission (KVIC)

The Khadi and Village Industries Commission (KVIC) is a statutory body created by an Act of Parliament in April, 1957. The KVIC is supposed to do the planning, promotion, organisation and implementation of programmes for the development of khadi and other village industries in the rural areas in coordination with other agencies engaged in rural development wherever necessary.

1.8.1.3 National Small Industries Corporation (NSIC)

In order to develop the small scale industrial units both in quality and quantity, National Small Industries Corporation helps in providing imperial and motivational inputs, directed activities and structural changes to expand its services. The corporation also provides financial assistance to purchase raw material to these units.

1.8.1.4 National Research Development Corporation of India (NRDC)

Under the section 25 of Companies Act, the National Research Development Corporation of India (NRDC) is a government of India enterprise established in December 1953 as a non-profit organization. It was specially designed to develop and exploit indigenous know-how, inventions, patents and processes emanating from all types of research and development institutions in the country.
1.8.1.5 **Central Social Welfare Board (CSWB)**

The Central Social Welfare Board (CSWB) is one of the important institutional agencies in India. It has started various programmes for the welfare of children, women and the handicapped. It runs vocational training courses leading to better employment prospects for poor and needy women. The Board gives training to rural women in public co-operation to enable them to participate more effectively in the process of socio-economic development and to acquire leadership qualities.

1.8.1.6 **National Alliance of Young Entrepreneurs (NAYE)**

The National Alliance of Young Entrepreneurs was set up in 1975 for promotion of women entrepreneurship. The women’s wing has set up in five states. In other states, Associations of Women entrepreneurs have affiliated themselves with the women’s wing of NAYE, making it the most representative organization of women entrepreneurs in the country.

1.8.1.7 **National Association of Women Entrepreneurs and Executives (NAWEE)**

The National Association of Women Entrepreneurs and Executives was formed to perform as a cleaning house on problems and opportunities facing women entrepreneurs and executives at all levels and to assist them in their self-development and protection.

1.8.1.8 **Coir Board**

Coir Board is a statutory body established by the Government of India under a legislation enacted by the Parliament namely Coir Industry Act, 1953 for the promotion and development of Coir Industry in India as a whole.

1.8.1.9 **Training Institutes**

There are three national level training institutes in India and these are mentioned below:

- a) National Institute of Small Industry Extension Training (NISIET), Hyderabad, which undertakes operations ranging from training, consultancy, research and education, to extension and information services.

- b) National Institute for Entrepreneurship and Small Business Development (NIESBUD), New Delhi, which conducts national and international level training programmes in different fields and disciplines.

- c) Indian Institute of Entrepreneurship (IIE), Guwahati was established to act as a channel for entrepreneurship development with its focus on the North East.
1.8.2 State Level Institutions

1.8.2.1 State Directorate of Industries (SDIs)

Under the constitution of India promotion and development of small scale industries is a State subject. Therefore, the primary responsibility for implementation of policies and programmes of assistance rests with the Directorate of Industries in each State. It acts under the overall guidance of SIDO and concerned Central institutions. It performs both regulatory and development functions. It functions through a network of District Industries Offices, industries offices and extension offices at district sub-division and block level respectively. The main functions of Directorate of Industries are as follows:

a) Registration of small scale units.
b) Providing financial assistance.
c) Distributing scarce and indigenous raw materials to industrial units.
d) Granting essentiality certificates for import of raw material.
e) Establishing industrial estates and industrial co-operatives.
f) Developing industrial infrastructure.
g) Undertaking industrial surveys and collecting information.
h) Arranging concessions and incentives for industries.
i) Overall administration of village and small scale industries.
j) Maintaining liaison with other agencies for industrial development.

1.8.2.2 District Industries Centers (DICs)

The District Industries Centers programme was launched in 1978 for effective promotion of cottage and small scale industries widely dispersed in rural areas and small towns. These centers are the focal points providing all the services and support required by small scale and village entrepreneurs under one roof. These serves as an integrated administrative framework at the district level for industrial development. The main functions of DIC's are as follows:

a) It conducts surveys to know industrial potential of a district keeping in view the availability of raw material, human skills, infrastructure, demand, etc.;
b) It prepares an action plan for industrial development;
c) It appraises the various investment proposals received from entrepreneurs;
d) It guides and assists entrepreneurs in buying appropriate machinery and equipment and raw material;
It suggests appropriate marketing strategies to entrepreneurs;

f) It maintains links with research and development institutions for upgradation of technology, quality improvement, industrial training etc.;

g) It conducts artisans training programmes;

h) It has been assigned operation responsibility for special schemes to provide self-employment to educated unemployed youths.

1.8.2.3 Himachal Pradesh State Industrial Development Corporation Limited (HPSIDC)

The Himachal Pradesh State Industrial Development Corporation Limited (HPSIDC) was incorporated in November, 1966 as a Company wholly owned by the State Government. The Corporation is, inter-alia, engaged in carrying out activities towards the advancement of industrial development of the State and also acting as the State level financial institution for providing term loans to small and medium industrial units in the State (Financial Schemes: Himachal Pradesh State Industrial Development Corporation). The main developmental activities of the Corporation are as under:

a) Term loan assistance to the industrial units being set up in the State.

b) Development of industrial infrastructure.

c) Execution of civil works as deposit works of various State Departments.

1.8.2.4 Himachal Pradesh Financial Corporation (HPFC)

The Himachal Pradesh Financial Corporation was established under the State Financial Corporation’s Act, 1951 on 1st April, 1967 as a result of re-organization of the erstwhile Punjab Financial Corporation. Prior to this the financial needs of the entrepreneurs of Himachal Pradesh were being looked after by the erstwhile Punjab Financial Corporation. At the time of re-organization, only three units with outstanding loans of Rs. 0.12 crore were transferred to Himachal Pradesh Financial Corporation.

The Corporation is providing medium and long term loans for setting up small and medium scale industries in Himachal Pradesh. Financial assistance is also provided for expansion, modernization and rehabilitation of the existing industrial units and to small transport operators (Profile: Himachal Pradesh Finance Corporation).
1.8.2.5 Himachal Pradesh State Handicrafts and Handloom Corporation Limited (HPSHHCL)

Handloom and Handicrafts Industries in India have a glorious tradition of excellent craftsmanship. From the employment potential point of view, it has been playing a very important role providing the second biggest single employment avenue next to agriculture. Accordingly, Himachal Pradesh Government formed a Corporation under the name and style “Himachal Pradesh State Handicrafts and Handloom Corporation Limited” for the development of weavers and artisans etc. remaining outside the gamut of cooperative fold in 1974 (Directorate of Industries, 2010-2011). The main objectives of the Corporation are as under:

a) To promote the growth and development of Handlooms and Handicrafts Industry in the State of Himachal Pradesh;

b) To free weavers/artisans from exploitation by the master weavers/artisans/traders;

c) To impart training to the weavers/artisans in order to improve their skill in weaving, etc. and taking other measures for promoting the welfare of the weavers/artisans like financial and raw materials assistance.

1.8.2.6 Himachal Pradesh State Small Industries and Export Corporation Limited (HPSSIEC)

The Himachal Pradesh State Small Industries and Export Corporation Limited were incorporated in 1966 under the Companies Act, 1956 (Directorate of Industries, 2010-2011). It is the first public sector undertaking incorporated by the Himachal Pradesh Government to achieve the following main objectives:

a) To aid, counsel, assist, finance, protect and promote the interest of small industries in the State;

b) To provide the SSI units with capital, credit, resources, technical and managerial assistance for undertaking production and marketing including exports;

c) To procure and distribute raw materials allotted by the Government of India to the SSI units.

1.8.2.7 Himachal Pradesh General Industries Corporation Limited (HPGIC)

Himachal Pradesh General Industries Corporation Ltd. (HPGIC) came into existence in the year 1988 on restructuring of HPSIDC when its industrial units were
transferred to Himalaya Fertilizers Limited (Subsidiary of HPSIDC Ltd). In September 1988, the subsidiary status was done away with and HFL was renamed as HPGIC and made an independent undertaking of the H.P. State Government. At the time of formation of Corporation in 1988, the total strength of employees was 456 which has now reduced to 157 employees working with Corporation and 60 nos. more employees deployed with Government department on secondment basis (About Us: Himachal Pradesh General Industrial Corporation Limited).

1.8.2.8 Himachal Pradesh Khadi and Village Industries Board (HPKVIB)

With the promulgation of Act No. LXI of 1956 the Khadi and Village Industries Commission came into existence in April, 1956. The commission and the Government of India persuaded the State Government to set up Khadi and Village Industries Boards, in order to receive grants and loans from the Commission. The Himachal Pradesh Khadi and Village Industries Board were created /constituted on 8th January, 1968 under Himachal Pradesh Khadi and Village Industries Board Act, 1966. Presently the Khadi and Village Industries Board have an important role to play in the economic development of villages providing employment opportunities at the low capital cost in the hilly rural areas of Himachal Pradesh.

These industries help the artisans to preserve their culture heritage besides earning livelihood by getting opportunities at their doorsteps and also help in utilizing the unemployed youths for the processing of locally available raw material by adoption of simple and approved techniques (Directorate of Industries, 2010-2011). The aims and objectives of the Board are as under:

a) To promote, encourage and assist in the development of Khadi and Village Industries to carry on trade or business in the products of such industries;

b) To provide employment to persons who have been professionally engaged in Khadi and Village Industries;

c) To finance the individual units, Co-operative Societies and Registered Associations at the rate and norms fixed by Khadi and Village Industries Commission (KVIC) for setting up village Industries.

Various central and State Government institutions are regularly facilitating women entrepreneurs for the growth and development of their business enterprises. They are also providing training facilities to existing as well as potential women entrepreneurs in different product categories. Several schemes are especially launched
by central as well as State Government for the prospective and existing women entrepreneurs. State financial corporation and other financial institutions are also assisting in providing short term and long term loans to women entrepreneurs. State Government has also set up several agencies for providing infrastructure, raw material, marketing and selling support to existing women entrepreneurs. With this in mind, a pertinent question arises in context of above discussions, whether women entrepreneurs are aware of various Entrepreneurship Development Programmes (EDPs) and schemes provided by the State Government and other financial institutions or not.

1.9 Overview of Himachal Pradesh

Himachal Pradesh is a small hilly State situated in the northern part of the country. The topography of the State is basically hilly with height ranging from 350 Meters to 6975 meters from main sea level. It lies between latitude 32°22’40” North to 30°01’40” North and longitude 75°47’55” East to 79°04’22” East. Himachal Pradesh attained full-fledged Statehood in 25th January 1971. Prior to this, it was a Union Territory of India. It is bounded by Jammu and Kashmir in the North, Uttarakhand in the South East, Haryana on the South and Punjab on the West. In the east, it forms India’s border with Tibet. Geographically the territory can be divided into three zones viz. Outer Himalaya or the Shivaliks, Inner Himalaya or Mid-Himalaya and the Greater Himalaya or Alpine Zone. The total geographical area of the State is 55,673 Sq. km.

1.9.1 Population Characteristics

As per details from Census 2011, Himachal Pradesh has population of 68.56 Lakh, an increase from figure of 60.78 Lakh in 2001 Census. Total population of Himachal Pradesh as per 2011 Census is 6,856,509 of which male and female are 3,473,892 and 3,382,617 respectively. In 2001, total population was 6,077,900 in which males were 3,087,940 while females were 2,989,960.

1.9.2 Population Growth Rate

The total population growth in this decade was 12.81 percent while in previous decade, it was 17.53 percent. The population of Himachal Pradesh forms 0.57 percent of India in 2011. In 2001, the figure was 0.59 percent.
1.9.3 Literacy Rate

Literacy rate in Himachal Pradesh has seen upward trend and is 83.78 percent as per 2011 population Census. Of that, male literacy stands at 90.83 percent while female literacy is at 76.60 percent. In 2001, literacy rate in Himachal Pradesh stood at 76.48 percent of which male and female were 85.35 percent and 65.61 percent literate respectively. In actual numbers, total literates in Himachal Pradesh stands at 5,104,506 of which males were 2,791,542 and females were 2,312,964.

1.9.4 Density of Population

Total area of Himachal Pradesh is 55,673 sq. km. Density of Himachal Pradesh is 123 per sq. km which is lower than national average 382 per sq. km. In 2001, density of Himachal Pradesh was 109 per sq. km, while nation average in 2001 was 324 per sq. km.

1.9.5 Sex Ratio

Sex ratio in Himachal Pradesh is 974 females per 1000 males, which is more than national average of 940 as per Census, 2011. In 2001, the sex ratio of females was 970 per 1000 males in Himachal Pradesh.

1.9.6 Administrative Set Up

- Capital: Shimla
- No. of Districts: 12
- No. of Tehsil: 75
- No. of Municipal Corporations: 01
- No. of Municipal Councils: 25
- No. of Nagar Panchayats: 02

1.9.7 Industrial Scenario of Himachal Pradesh

The special package of incentives, granted by the government of India in January, 2003 has been supplemented by the Industrial Policy and Incentive Rules, 2004 which provide more incentives to the potential and existing entrepreneurs in the State, such as tax concessions, concessional rates of electricity duty, special incentives for establishing industrial units in the backward and tribal areas of the State, incentives for training and development of manpower etc.

As on 31/03/2011, there are 471 Medium and Large Scale industries registered in the State having an investment of Rs. 8918.55 crore and have provided employment to about 52,823 persons. In addition, there are 37364 registered Small
Scale Industries having an investment of about Rs. 457359.61 crore and have provided employment to about 1,99,582 persons. District wise distribution of SSI/MSME units, investment and employment is depicted in table 1.7.

Table 1.7

District wise Distribution of SSI/MSME Units (up to 31-3-2011)

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Districts</th>
<th>No. of Units</th>
<th>Investment (Rs. in Lakh)</th>
<th>Employment Generated</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Bilaspur</td>
<td>2275</td>
<td>6690.30</td>
<td>8241</td>
</tr>
<tr>
<td>2.</td>
<td>Chamba</td>
<td>1763</td>
<td>3303.43</td>
<td>6102</td>
</tr>
<tr>
<td>3.</td>
<td>Hamirpur</td>
<td>2767</td>
<td>6019.35</td>
<td>9941</td>
</tr>
<tr>
<td>4.</td>
<td>Kangra</td>
<td>8866</td>
<td>32166.54</td>
<td>39271</td>
</tr>
<tr>
<td>5.</td>
<td>Kullu</td>
<td>2487</td>
<td>5825.15</td>
<td>13125</td>
</tr>
<tr>
<td>6.</td>
<td>Kinnaur</td>
<td>571</td>
<td>514.62</td>
<td>1789</td>
</tr>
<tr>
<td>7.</td>
<td>Lahaul and Spiti</td>
<td>576</td>
<td>321.79</td>
<td>1589</td>
</tr>
<tr>
<td>8.</td>
<td>Mandi</td>
<td>3823</td>
<td>10157.32</td>
<td>15627</td>
</tr>
<tr>
<td>9.</td>
<td>Shimla</td>
<td>3386</td>
<td>6406.76</td>
<td>12091</td>
</tr>
<tr>
<td>10.</td>
<td>Solan</td>
<td>4550</td>
<td>275406.10</td>
<td>56093</td>
</tr>
<tr>
<td>11.</td>
<td>Sirmour</td>
<td>3072</td>
<td>76141.24</td>
<td>19623</td>
</tr>
<tr>
<td>12.</td>
<td>Una</td>
<td>3228</td>
<td>34407.01</td>
<td>16090</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>37364</strong></td>
<td><strong>457359.61</strong></td>
<td><strong>199582</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: Annual Administration Report 2010-11, Directorate of industries (H.P.)

Most of these small scale units are engaged in the production of traditional items like packing cases, wooden furniture, leather shoes, grinding of cereals, bakery products, dairy products, processed fruit/food Products and textile products. These units are run by both male and female entrepreneurs in different districts of Himachal Pradesh. In addition to this, several modern industries have also emerged in the state. Now the industries in Himachal Pradesh are producing high technology items, such as Televisions, Computers, Allopathic and Ayurvedic drugs, Vanaspati ghee, Electrical/Electronic domestic appliances, PVC pipes, AAC conductors, Card-board boxes, RCC spun pipes etc.
1.10 Statement of the Problem

Women workforce participation throughout the world is increasing day by day and a large number of women has established their own business enterprises in different sectors. Since women constitute half of the total population and account for the second largest group of potential entrepreneurs in India, they also have to play a very imperative role in the development of the country. The Government of India has taken cognizant efforts to extensively enhance the spirit of entrepreneurship among women from the Fifth Five Year Plan (1974-78) onwards. Since then, various developmental programmes have been implemented in this direction. Still, it is a foremost problem for the Government and promotional agencies to recognize potential women entrepreneurs, their current status and challenges and to decide implement and derive optimum benefit of promotional measures to attain a persistent and fast growth of women entrepreneurship. Over the last few years, the promotion of women entrepreneurship has become a key area of debate among academics, policy makers and supporting agencies. Though several studies have been conducted in the west, only limited efforts have been made in exploring the women entrepreneurship in India.

As per Census of India 2011, population of Himachal Pradesh is 68.56 Lakh showing change of 12.81 percent from last decade and out of total population of 6,856,509 male and female constituted 3,473,892 and 3,382,617 respectively. Literacy rate among women is 76.60 percent and sex ratio is 974 females per 1000 males, which is more than India’s average sex ratio, i.e. 940. Due to the special package of incentives granted by the government of India in January, 2003 and other concessions provided by the State Government, several women entrepreneurs have emerged in different districts of Himachal Pradesh. It is inferred that women entrepreneurs are playing a very significant role in the development of nation, but at the same time, they are facing disparate problems which are unfavourable to the development of women entrepreneurship. Therefore, there is need for more specific studies on women entrepreneurship so that the various aspects of women entrepreneurship could be understood in the larger context.

On the basis of above discussions and questions, a study in this direction should reveal the parameters that can help to encourage women into entrepreneurship.
for their effective contribution to the socio-economic development of the state. Therefore, the problem of this research revolved around the following research questions:

(i) What is the socio-economic profile of women entrepreneurs in Himachal Pradesh?

(ii) What is the financial status (total investment, source of investment and profitability of business enterprise) of women entrepreneurs?

(iii) What is the social and decision making status of women entrepreneurs?

(iv) What is the awareness level of women entrepreneurs about various government agencies and financial institutions in Himachal Pradesh?

(v) What are the different problems (financial, marketing, manufacturing and labour problems) faced by women entrepreneurs?

With this in mind, researcher decided to conduct study entitled “Women Entrepreneurs: A Study of Current Status, Challenges and Future Perspective in the State of Himachal Pradesh” to explore the unknown facets of women entrepreneurs in the state of Himachal Pradesh.

1.11 Objectives of the Study

This study has certain specific objectives which are as follows:

1. To study the profile of women entrepreneurs;

2. To assess the financial status, decision making status and social status of women entrepreneurs in the state of Himachal Pradesh;

3. To assess the awareness level of women entrepreneurs about various government agencies, financial institutions and schemes provided by them;

4. To identify the different problems faced by women entrepreneurs in running and promotion of their business enterprises;

5. To provide suggestions and recommendations on the basis of present study.

1.12 Hypotheses of the Study

H01: There is no significant difference among age groups on decision making status, social status, awareness level and problems of women entrepreneurs
H02: There is no significant difference among family income groups on decision making status, social status, awareness level and problems of women entrepreneurs

H03: There is no significant difference among education groups on decision making status, social status, awareness level and problems of women entrepreneurs

H04: There is no significant difference among work-experience groups on decision making status, social status, awareness level and problems of women entrepreneurs

H05: There is no significant difference between training response groups on problems of women entrepreneurs

1.13 Justification of Variables

Socio-economic factors are characteristics that outline the quality of life in a society. They affect the behaviours, attitudes, trends, tastes and lifestyles of individuals. In fact, the different sections of the society (upper class, middle class and lower class) are attributable to the socio-economic factors. Age, education, income and occupation are the main parameters of socio-economic status, according to the American Psychological Association. In all human societies, individuals differ in social status depending upon their age and personal ability (Sahlins, 1958).

It is universal tendency in the society that older individuals are generally perceived as more mature and possess greater credibility, knowledge and wiser decision making ability in different situation of life, but in case of psychological maturity, it is not always determined by one’s age (Bernstein & Carmel, 1991). There are many tales of business successes in which young entrepreneurs didn’t have the experience to know where the barriers to success would be located, and overpowered obstacles they didn’t know existed when they began. In contrast, older entrepreneurs may have extensive social as well as business relations in the society that help to anticipate and evade such barriers rather than frontally assaulting them. It is also believed that older people not only have a great deal of life experience, they also tend to have more financial resources than younger entrepreneurs. There may be success in both the cases, but the route to achieving it is quite different.
Income is the amount of money individuals earn from their daily economic activities, be it employment, business or investments. The availability of disposable income influences individual spending habits. However, when income is limited, individuals tend to restrict their expenditure to essential matters. Income fluctuations occur as a result of changes in the rates of economic growth. Similarly, level of income regulates the expenditure and investment pattern of an entrepreneur. Appropriate financial support empowers entrepreneur in grasping better business opportunities, risk taking, introduction of new technology and recruitment of highly skilled manpower in the organization. Thus, income level surely affects the different practices of business.

Francis J. Brown remarks that education is a process which brings about changes in the behaviour of society. It is a process which enables every individual to effectively participate in the activities of society and to make positive contribution to the advancement of society. Education provides members of the society with suitable skills and knowledge they require to be employed in different jobs and businesses. Likewise, education influences the selection to become an entrepreneur through various mechanisms. Education provides better insight to business problems and opportunities. The education levels of entrepreneur also influence the scope of interactions with customers and other stakeholders. Education can for instance increase the survival rate of the firm through the facilitation of improved capabilities of the entrepreneur, including capabilities to adjust to new external conditions, rational decision making and to adopt new technology. Level of education possessed by women entrepreneur can also make her more competitive and confident. Consequently, it is an integral factor to the success of women entrepreneur. Prior work-experience in a similar field or in the same industry indicates that an individual have a better understanding of that particular domain, awareness of various business facets and the way in which businesses in that field work. It assists entrepreneur in identifying customers, marketing areas and opportunities for growth. It also means that individual have access to a ready list of contacts, which may be really valuable when entrepreneur is trying to find suppliers, advice or other people to work with. Prior work-experience gives a better idea of what to anticipate and can foresee various problems more clearly. Therefore, there is relation between work-experience and different aspects of business enterprise as it certainly help in refining
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the working style of an entrepreneur.

According to the Michel Armstrong, “Training is systematic development of the knowledge, skills and attitudes required by an individual to perform adequately a given task or job”. Training basically refers to the process of acquiring the essential skills required for a certain job. It targets specific goals, e.g. understanding a process and operating a certain machine or system. On the other hand, it also puts emphasis on broader skills, which are applicable in a wide range of situations. This includes decision making, thinking creatively and managing people at work. It makes individual analytical and diligent in different problematic situations of business. Besides, it aimed at imparting necessary knowledge about the industry, products and production methods. Training helps in socially, intellectually and mentally developing an individual, which is very essential in facilitating not only the level of productivity but also the development of personnel in any organization (Oatey, 1970).

Several studies on women entrepreneurship highlights the socio-economic characteristics such as age, gender, family income, family occupation and individual background, such as education and prior work-experience have an impact on entrepreneurial intention and exertion (Basu & Virick, 2008). There are two key demographic characteristics, education and work-experience, that underlie the concept of human capital. The knowledge gained from education and work-experience represents a resource that is heterogeneously distributed across individuals and is thus central to understanding differences in opportunity identification and exploitation. Therefore, socio-economic background of women entrepreneurs has relationship to the type of business activities they are engaged in and the degree of business problems faced by them. In relation to this, a study entitled “Socio-Economic Factors Influencing Entrepreneurship Development: An Empirical Study across the Small and Medium Enterprises of Chennai” conducted on 383 women entrepreneurs also revealed that socio-economic factors such as age, educational qualification background, family income, previous job experience and family type had significant influence on the performance of women entrepreneurs in the selected small-scale enterprises. Study also exposed that aged, highly educated and high family income group of women entrepreneurs were enjoying better social status as comparison to other women entrepreneurs (Khan, 2014). Another study depicts that among various socio-economic variables, education and experience are antecedents to the decisions
to start a business and these variables also have substantial relationship with the awareness level of women entrepreneurs about various aspects of business. It is also observed that years of formal education of the women entrepreneur before starting a new business are related to eventual inclination towards a certain sector and helps in understanding and tackling numerous business problems e.g. financial, production, marketing etc. more effectively (Brush & Hisrich, 1991).

Again a study conducted in Agra indicates that there was a significant and positive relationship between socio-economic variables and entrepreneurial behavior of women entrepreneurs. The correlated socio-economic variables with entrepreneurial behaviour were, age, educational status and marital status. It can be said that the variables those made variation in the behaviour of women were age, educational status and marital status. Entrepreneurial behaviour became matured simultaneously in increase in age and experience after marriage along with educational qualification. Moreover, age and education also helped in enhancing their decision making power in terms financial, marketing and production related areas (Seemaprakalpla, 2013). Likewise, result of another study reveals that various socio-economic and demographic characteristics have significant impact on the involvement of women entrepreneurs in their business enterprises and power to tackle various business problems. It summarized that entrepreneurial development is a function of person interaction with the environment (Kalyani & Chandralekha, 2002).

Another study established that there is a positive relationship between the entrepreneurs’ socio-economic characteristics, such as entrepreneurs’ age, educational level, past business experience, previous employment on overall enterprise performance. It also established there is a positive relationship between training of respondents and problems of women entrepreneurs. Study asserts that training duration should also be reviewed with a view to increasing contact hours and direct trainer/trainee involvement (Tubey, 2013). Similarly, a study conducted in Bangalore and Chennai disclosed that women entrepreneurs’ perceived education and training has significant impact on the business related problems (financial, manufacturing, marketing, recruitment etc.) of women entrepreneurs. In context of above discussions, the present study entitled “Women Entrepreneurs: A Study of Current Status, Challenges and Future Perspective in the State of Himachal Pradesh” included following independent and dependent variables.
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Independent Variables

Independent variables are the variables that are changed in a given model or equation. One can also think of them as the ‘input’ which is then modified by the model to change the ‘output’ or dependent variable. The researcher had selected five independent variables for the study.

1. Age
2. Family Income (Monthly)
3. Education
4. Work-Experience
5. Training

Dependent Variables

Dependent variables are considered to be functions of the independent variables, changing only as the independent variable does. The researcher had assumed following dependent variables for the study:

1. Financial Status
2. Decision Making Status
3. Social Status
4. Awareness Level
5. Financial Problems
6. Marketing Problems
7. Manufacturing Problems
8. Labour Problems

Financial Status

Researcher had assumed various factors for ascertaining the financial status, such as investment in the business, source of investment and monthly profit of business enterprise.

Decision Making Status

In order to assess the decision making status of women entrepreneurs, researcher had assumed various factors, such as power to take manpower recruitment and selection decisions, power to take marketing and selling decisions and power to take major financial decisions of business enterprise.
Social Status

The factors which were assumed for defining social status were respect in the family, respect in society and participation in social activities, being a women entrepreneur.

Awareness Level

The factors were related to the respondents’ awareness towards various government agencies, financial institutions, schemes and awareness about various Entrepreneurship Development Programmes (EDPs).

Financial Problems

Researcher had assumed financial problems for the study in terms of problem of shortages of funds, problem of high rate of interest and problem of getting loans from financial institutions.

Marketing Problems

Marketing problems were also assumed by the researcher in terms of problem of competition, advertisement and market information.

Manufacturing Problems

The problem of raw material, technology and high cost of machines were assumed as manufacturing problems for the study.

Labour Problems

Researcher had assumed problem of non-availability of skilled labour, problem of absenteeism and problem of high wages as labour problems for the study.