Chapter – I

INTRODUCTION

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1.1 INTRODUCTION

The dynamic nature of small business calls for innovative approaches to entrepreneurship education and training and improved management techniques. Dissemination of innovative approaches and new knowledge developed is also extremely important in furthering the cause of entrepreneurship.

Economic growth and revitalization of nation are propelled best by ‘Entrepreneurs’. Small business and entrepreneurship in India are the prime-force in generating productive employment and ensuring a more equitable distribution of income in the process of economic development of the country. It facilitates effective mobilization of resources like capital and skills and helps to reduce poverty and unemployment. Entrepreneurs rationally combine the forces of production into a new production organization, “Schumpeter states that entrepreneurial behaviour covers the introduction of a new good, a new method of production, new market, a new source of supply of raw materials or half manufactured goods and a new organization of any industry for certain of a monopoly position or breaking it”. In this way, entrepreneur initiates necessary action to reform or revolutionize the patter of production.

In India, women constitute nearly 48% of the population but their participation in quantifiable economic activity is around 25.7%. The effect of this economic inequality is mirrored in the social scenario, where a small percentage of population is becoming more and more prosperous and nearly two-thirds by the population still remains poor and untouched of technological progress. The share of women in the adult labour force is 31% in India; much less compared to China (47%). The female

economic activity rate which is defined as the proportion of female population aged
15 years and above, and who furnish or available to furnish the supply of labour for
production of goods and services is also very low in India (41%) compared to that of
China (74%).

In recent years there has been an upsurge of interest in the role of
entrepreneurship and small business development as providers of employment,
contributors to Gross National Product, boosters of economic development and
troubleshooters to a large number of problems being faced by the community in
general and educated youth in particular. A healthy small business sector is rightly
considered to be the backbone of any developed economy. Entrepreneurship training
in most countries of the world is being increasingly tried to promote local
entrepreneurship and accelerate the pace of small enterprise development. Research
studies conducted in USA (Brich, 1987) suggest positive link between economic
development and entrepreneurship.

<table>
<thead>
<tr>
<th>Year</th>
<th>Women</th>
<th>Men</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971</td>
<td>19.30(11.0)</td>
<td>155.6(89.0)</td>
<td>174.90(100.0)</td>
</tr>
<tr>
<td>1981</td>
<td>27.93(12.2)</td>
<td>200.52(87.8)</td>
<td>228.45(100.0)</td>
</tr>
<tr>
<td>1991</td>
<td>37.81(14.1)</td>
<td>229.52(85.9)</td>
<td>267.33(100.0)</td>
</tr>
<tr>
<td>1997</td>
<td>43.88(15.9)</td>
<td>231.77(84.1)</td>
<td>275.65(100.0)</td>
</tr>
<tr>
<td>1999</td>
<td>48.29(17.2)</td>
<td>232.84(82.8)</td>
<td>281.13(100.0)</td>
</tr>
<tr>
<td>2007</td>
<td>50.67(17.72)</td>
<td>234.43(82.23)</td>
<td>285.10(100.0)</td>
</tr>
<tr>
<td>2011</td>
<td>52.12(18.11)</td>
<td>235.68(81.89)</td>
<td>287.8(100.0)</td>
</tr>
</tbody>
</table>

Note: Figures in parentheses are percentages.
Source: Director General of Employment and Training, Ministry of Labour, Govt. of
India, New Delhi.

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Publications, New Delhi.
Women’s share in the organized sector workforce has shown an increasing trend; increasing from 19.30 lakh (11%) in 1971 to 48.29 lakh (18.11%) in 2011. In two years between 2007 and 2011, the rise in percentage points of women in the organised sector has been 1.3. But their share still stands very low when compared to men as per the details given in Table 1.1.

**Table 1.2: Women in the Public Sector (1971-2011)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Women (in lakhs)</th>
<th>Men (in lakhs)</th>
<th>Total (in lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971</td>
<td>8.6 (8)</td>
<td>98.7 (92)</td>
<td>107.3 (100)</td>
</tr>
<tr>
<td>1981</td>
<td>14.99 (9.7)</td>
<td>139.85 (90.3)</td>
<td>154.84 (100)</td>
</tr>
<tr>
<td>1991</td>
<td>23.47 (12.3)</td>
<td>167.1 (87.7)</td>
<td>190.57 (100)</td>
</tr>
<tr>
<td>1999</td>
<td>28.11 (14.5)</td>
<td>166.04 (85.5)</td>
<td>194.15 (100)</td>
</tr>
<tr>
<td>2001</td>
<td>32.34 (16.11)</td>
<td>168.45 (83.89)</td>
<td>200.79 (100)</td>
</tr>
<tr>
<td>2011</td>
<td>35.86 (17.12)</td>
<td>173.59 (82.88)</td>
<td>209.45 (100)</td>
</tr>
</tbody>
</table>

Note: Figures in parentheses are percentages.
Source: Director-General of Employment & Training, Ministry of Labour, Govt. of India, New Delhi.

Women’s employment in the public sector has also recorded an increase from 8.6 lakhs (8%) in 1971 to 28.11 lakh (12.12%) in 2011. However, this is still much lower than that of men as is evident from Table 1.2.

**Table 1.3: Women in the Government Sector (1981-2011)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Women (in lakhs)</th>
<th>Men (in lakhs)</th>
<th>Total (in lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981</td>
<td>11.9 (11)</td>
<td>97.1 (89)</td>
<td>109.0 (100)</td>
</tr>
<tr>
<td>1996</td>
<td>15.0 (13.9)</td>
<td>92.7 (86.1)</td>
<td>107.7 (100)</td>
</tr>
<tr>
<td>2006</td>
<td>17.8 (15.84)</td>
<td>94.6 (84.16)</td>
<td>112.4 (100)</td>
</tr>
<tr>
<td>2011</td>
<td>18.3 (16.36)</td>
<td>93.5 (83.64)</td>
<td>111.8 (100)</td>
</tr>
</tbody>
</table>

Note: Figures in parentheses are percentages.
Source: Director-General of Employment & Training, Ministry of Labour, Govt. of India, New Delhi.

Even in the case of rightly controlled economies in Eastern Europe, people are anticipating that small business and entrepreneurship will lead the way to new economic development. Most countries in Eastern Europe have already switched over
to market-based economy. Developments which took place in USSR in 1991 also provide much scope to small enterprises in reviving the disintegrated economies. Developing economies like India, China, Pakistan, Srilanka, Malaysia and many other South Asian countries have always considered the small business sector as an important sector of the economy.

To empower women and attain economic independence, development of women entrepreneurship becomes essential. Gainful employment has been viewed as a critical entry point for women’s participation in income generating activities is believed to increase their status and decision making power. With employment, women do not remain as objects of social change but become agents of it. They cease to be ‘consumers’ of economic goods and services and turn into ‘produces’ they participate in social reproduction as well as reproduction of labour for the next generation.

The county’s response to the challenges of equality, development and peace is the empowerment strategy. The challenge before society is to evolve strategies to break the stereotypes of the past by solving problems of poverty, illiteracy, violence and gender inequality. Hence self-employment and entrepreneurship should be seen as a component of a solution to accelerate socio-economic development, particularly of the poor in India.

The economic development of advanced countries of the world extent, has been attributed to growth of small and medium enterprises. In advanced countries, women have managed majority of small enterprises and there is a phenomenal increase in the number of self employed women. Women-owned firms represented

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nearly 40% of all the firms in the United States and employed approximately 27.5 million people. Across country comparison reveals that, in China, women outnumber men by at least two times, when it comes to stating business. There are over five million women engaged in business in China (Workshop proceedings, 2000). In Japan too, a similar trend prevailed. In Eastern Nigeria, half the trade is carried out by women and in Ghana 80% of the trading persons are women. In Canada 1/3rd of small business are owned by women and in France, it was 1/5th. In United Kingdom, the number of self-employed women has increased three folds as fast as the number of self-employed men. In India, the self employed women account for only 5.2% of self employed persons in the country. The participation of women in business in India is low, since it depends upon closely inter-linked economic, social, cultural, religious and psychological factors. It is the quest for economic independence and better social status and sometimes sheer need for the family’s survival that force women into self-employment and entrepreneurship.

Self –employment raises the confidence of women and earns them status and respect in society. It helps women in improving their position not only in their family but also in the social environment where people treat them with respect. In fact the best non-controversial way to empower women, rich or poor, is to inculcate in them the spirit of self-employment. In other words for the emancipation of women and development of society, self-employment is a very effective mean.

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7 Shegeko Mitsuhasi (2000), Access to Markets, OECD Conference on Women Entrepreneurs in SMEs, 2000; A major force in innovation and job creation”.
Some of the noted economists have described the role of the entrepreneur in economic development in different words. Schumpeter considers introducing innovation as the most significant contribution of the entrepreneur in economic development. Parsons and Smelser describe the entrepreneur as one of the two necessary conditions for economic development, the other being the increased input of capital. Hirginson considers entrepreneur among the prime movers of innovation and Sayigh simply describes entrepreneurship as a necessary dynamic force.  

Underdeveloped economics usually suffer from paucity of funds, lack of skilled labour and non-existence of minimum social and economic overheads. Market environment in such economics is less conductive to the emergence of innovative entrepreneurs. In such countries, the non-innovative entrepreneur, namely, imitators, Fabian androne are noticed to a large extent. In the absence of industrial background and a well developed institutional support, entrepreneurs in such economies try to copy innovations introduced by innovative entrepreneurs in developed countries. Enterprising people possessing high need for achievement in such areas would be noticed as not being satisfied with present status that they have the society. They would, therefore, venture into some new type of enterprises, which usually are imitative in nature. Entrepreneurs play a pivotal role in social-economic development and industrialization of a country needs no further emphasis. Entrepreneurship need not supply be confined to industry, trade and commerce; in fact, pace of development would be far greater when people in general from all walks of life and in all work situations start reflecting entrepreneurial behaviour. Developing economics need greater number of people possessing entrepreneurial qualities and capable of taking decisions under conditions of uncertainties. It is this class of human

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resource which has the potential of transforming undeveloped economies into developed ones.

Entrepreneurial skills were confining only to some communities/sections and regions in the past. But in recent years this trend has been changed. Individuals from all communities and regions come forward to take up the business/enterprising activities, irrespective of sex, caste, etc., it is a welcoming and notable aspect particularly in the case of women taking up this profession from household work to enterprising activity at this juncture as:

i) Participation of women in economic activity is must for the development of the country. At present, the rate of participation of women is very low; “28% of them are working women and the percentage of self employed women is only 5.7%. The proportion of women entrepreneurs is found to be only 6.7%” out of 16 millions SSI entrepreneurs in India.

ii) The entering of women into enterprising activity reduces the rate of unemployment among women, as nearly 60 percent of the women are employed in rural areas and 56 percent of the total unemployed in India.

iii) In recent years, the general decline of handicrafts, increasing the pressure on population, as agriculture, and development of modern industry with its increasing technology advances forced the women out of the employment market.

But this rate of entry form house-hold work to enterprising activity among women is very low due to various reasons like lack of finance, entrepreneurial skills and family support.

However, a society constrained by the suppressive socio-economic factors cannot generate the much-needed women entrepreneurs on its own.

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Private initiative directed towards the growth of entrepreneurs as existing in USA and UK is not wide-spread in India. Consequently the governmental policy, directions and the performance of commercial banks, financial institutions and training institutions engaged in promoting and developing the women entrepreneurship become very crucial for the country. The liberalization policy of the government has thrown open a vast area of the economy for private entrepreneurship. Under such circumstances, special efforts to develop women entrepreneurship is more keenly felt.

Most women in India as well as other developing countries are increasingly being completed to take up low skill, low paid, monotonous jobs because of economic hardships. Some of the main hurdles which delimit women’s transgression from their narrow range of activities are lack of opportunities for skill training and development, low levels of literacy, lack of mobility as well as family and institutional support. The planners today, especially with the liberalization and opening up of the Indian economy cannot afford to overlook nearly 50% of the population where a large pool of entrepreneurial talent might be lying latent. However, while making national and sectoral plans the emphasis is on welfare schemes, for women are viewed only as beneficiaries and not contributories. It is high time that it is realized that the issue of women is one of development and not of welfare. They are generally targeted for anti-poverty and welfare schemes whereas men are provided with productive inputs like education and training. To focus on the former women need to be provided with either meaningful employment or motivated and trained to set up enterprises of their own. The latter course appears more feasible in view of the rampant unemployment amongst the youth of the country. Identifying and developing women

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entrepreneurship will not only result in economic benefits of growth, job creation and wealth distribution but also societal benefits of increased independence for women as well as job enrichment and satisfaction. A natural corollary of this would be their increased strength to fight violence, discrimination and oppression.15

In the general society, high and middle class women tended to confine themselves to the biological and social roles of rearing children and keeping the house. But in the case of economically lower class women, besides their bio-social roles, they had equal or more than equal share in the economic activities of the family. In the recent past, the increase in women’s education, industrialization, urbanization, social and occupational mobility, the emergence of nuclear families, westernization, politico social movements and changes in the value system, some educated women have taken to certain careers. Some, compelled by economic necessity, have taken to small business and trade.

Woman has been the economic partner of man in several fields. But when it comes to entrepreneurship man seems, outwardly, at any rate, to dominate the entrepreneurial world. Woman too, is equally endowed with the psychological qualities and managerial abilities that matter in successful entrepreneurship. Sometimes, the environment and opportunities are the same both for men and women. But interestingly, the entrepreneurial activity in the traditional developing activities has been restricted to man. Time has come when one starts thinking, exploring and working towards the women entrepreneurship.

1.2 MOTIVATION OF WOMEN ENTREPRENEURS IN TRIBAL AREAS

The women secure the freedom and support to venture into some entrepreneurial activity with social and cultural sanctions and not hampering their familiar roles.

Women in the tribal societies contribute as much as or more than men to the family income. In a relative sense, they enjoy greater social and economic freedom than the women in the caste society in India\textsuperscript{16}. For instance the tribal women in Manipur, Mizoram, Meghalaya and Nagaland are in the forefront in running small business and trade. In Imphal, a market complex is exclusively run by women. A similar practice appears in Aizawl (Mizoram), where one can see a large number of women carrying on business and trade in garments, textiles, cosmetics, electronic goods, etc. There is much scope to develop entrepreneurship among tribal women.

1.3 EVOLUTION AND GROWTH OF WOMEN ENTREPRENEURSHIP

In recent years women have made their mark in different walks of life and are competing successfully with men despite the social, psychological and economic barriers. This has been possible due to education, political awakening, urbanization, legal safeguards, social reforms etc\textsuperscript{17}. When exposure and knowledge are imparted to them, Indian women have proved themselves to be highly potential productive force. When proper education and environment are provided they can be used as good human resources potential for the development of the nation. Today the educated women prove themselves to be good professionals in various fields.

In India there is a growing awareness of the need for women entrepreneurs in the nation’s development. In the seventh five –year plan, a special chapter on


\textsuperscript{17} Gupta C.B. and Srinivasan N.P. (1997), Entrepreneurs Development in India, Sultan Chand and Sons, New Delhi , P.45.
women’s development has been included and it details the plan of action for “Integration of Women in Development”. The Industrial Policy Resolution of 1991 has highlighted the necessity to provide special training programmes to develop woman entrepreneurship. The Resolution further adds that the objective of the course is to increase the representation of women in the field of small industry development and to enhance their economic and special status\textsuperscript{18}. Approximately 9 percent of small scale industry entrepreneurs were women entrepreneurs. Some studies indicate that several women are now willing to become entrepreneurs due to various factors. These reasons can be divide into two categories i.e., pull factor and push factors. “Pull factors” imply the factors which encourage women to adopt and an independent occupation for economic independence and social recognition. ‘Push factors: are those which compel women to take up business enterprises to get over financial difficulties and responsibilities thrust on them due to family circumstances. The quests for economic independence and better social status and sometimes sheer need for the family’s survival, force women into self-employment and entrepreneurship\textsuperscript{19}. Many studies have proved that unemployment and poverty are the important factors for emergence of women entrepreneurship. Both men and women constitute the strength of economic development. “Women form an important segment of the labour force and the economic role played by them cannot be isolated from the frame work of development as the role and degree of integration of women in economic development is always an indicator of women’s economic independence and social status”\textsuperscript{20}. Development of women is a prerequisite for all developmental activities, especially in a developing nation like ours where the social and economic status of


majority of women is abysmally low, Ever since independence, women have been given special attention in the various development schemes with a view to bringing them into the national Main stream.

Today women entrepreneurs represent a group of women who have broken away from the beaten track and are exploring new avenues of economic participation. Among the reasons for women to run organized enterprises are their skill and knowledge, their talents and abilities in business and a compelling desire of wanting to do something positive\(^\text{21}\). Entrepreneurship is considered as an important factor for economic development of a predominantly agricultural country like India. Economic development has brought drastic changes in the women’s life in many ways i.e. by advancement in medicine that leads to small family and modern household appliances which reduce the time of household work. “But with the tiring cost of living, the middle class family finds it very difficult today to manage with the husband’s income alone\(^\text{22}\).”

At this position self employment is the best way to generate income. In addition, self-employment also changes the position of women from being job seekers to job givers\(^\text{23}\). In the United States of America; the US Bureau of Census has revealed that women owned 26 percent of the business in 1980. This increased to 32 percent in 1990 and 50 percent in the year 2000. There is a realization that full involvement of women in industrial development would ensure effective utilization of available labour and it affects the economic status of women and improves quality of life.

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1.4 WOMEN ENTREPRENEURSHIP IN INDIA

Entrepreneurial movement among women started about two decades ago. The First National Conference of women entrepreneurs held at New Delhi in November 1981 advocated the need for developing women entrepreneurs for the overall development of the country. The second National Conference of Women entrepreneurs organized by the National Alliance of Young Entrepreneurs (NAYE) held at New Delhi adopted certain declarations involving women’s participation in Industry. Now it becomes difficult to get jobs in private and public organizations due to neck-to-neck competition. Women are becoming entrepreneurs mainly for economic independence and social recognition.

Entrepreneurship is not new to Indian Women. A number of them have been engaged in home-grown vegetables, milk vending, butter and ghee making by maintaining one or a few milch animals. Women are also engaged in goat rearing, poultry farming, money lending, selling textiles in the neighborhood etc. The money generated through such home-based entrepreneurship helps in augmenting family income in a modest way. But the entry of women in organized business is a fairly recent phenomenon.

Women have strong desirable qualities relevant to entrepreneurship such as their ability to manage details, dedication to the work they take up and tolerance and kindness towards people. It is a misconception that women cannot be good managers. In fact, the complete manager in the Indian household is the mother, as she plans, budgets, executes and shows results in day-to-day life. The Harvard school experts are also of the opinion that the basic quality of an efficient management is a futuristic outlook and the capacity to mature and plan for the future. This comes naturally to

women. With her patience, kindness and gentleness she can generally understand the other side of the world with a keen sense of justice and fairness\textsuperscript{25}.

The old saying, “The man for the plough, the women for the hearth” has lost its relevance in the present day society\textsuperscript{26}.

Traditionally, women’s occupational status has always been closely associated with the home and the family. She has only a secondary status because she is economically dependent on her father or husband\textsuperscript{27}. In both the industrially advanced as well as the less developed countries women are bounded with cumulative inequalities as a result of micro-cultural and economic discriminating practices\textsuperscript{28}.

In fast developing country like India, the force of commercialization, modernization and industrialization are actively operating and transforming the traditional modes of production into modern capitalistic enterprises. Women are the most preponderant segment of the society. In order to improve the status and position of women at home and in the society at large, it is necessary to achieve economic independence for women.

For women, an opportunity to productive work is not merely a means to higher income but is a means to self-respect, to the development of her personality and to a sense of participation in the common purpose of the society.

\section*{1.5 EMPowerment of WOMen AND THE FIVE YEAR PLANS}

The concept of women’s development in the First Five Year Plan (1951-56) was mainly welfare oriented. The Central Social Welfare Board (CSWB), set up in

\textsuperscript{25} Azad Sing Glab, (June, 1988) “Development of Entrepreneurship among Rural Women” – An over view”, SEDME, Vol-XV.
1953, undertook a number of welfare measures through the voluntary sector. In the Second Five Year Plan (1956-61) women were organized into Mahila Mandals to act as focal points at the grass-root levels for the development of women. The Third, Fourth and other interim Plans (1961-74) accorded high priority to education of women. Measures to improve maternal and child health services, supplementary feeding for children and nursing and expectant mothers were also introduced. In the Fifth Plan (1974-78), there was a shift in the approach for women’s development from ‘welfare’ to ‘development’. The new approach aimed at an integration of welfare with development services. The Sixth Five Year Plan (1980-85) was a landmark in the history of women’s development as it received recognition as one of the developmental sectors and was included in the Sixth Plan Document as a separate chapter for the first time in the history of developmental planning. The Sixth Plan adopted a multi-disciplinary approach with a three pronged thrust on health, education and employment. In the Seventh Plan (1985-90), the developmental programmes for women continued with the major objectives of raising their economic and social status and to bring them into the mainstream of national development. A significant step in this direction was to identify/promote the beneficiary-oriented programmes for women in different developmental sectors which extend direct benefits to women. The Eighth Five Year Plan (1992-97), which was launched in 1992, promises to ensure that the benefits of development from different sectors do not bypass women and special programmes will be implemented to complement the general development programmes. Therefore, the flow of benefits to women in the three core sectors of education, health and employment will be monitored with a greater vigil. Women must be enabled to function as equal partners and participants in the developmental process. This approach to the Eighth Plan marks a further shift from development to
Empowerment of women. In order to meet both the increasing and challenging needs of women and children, there has been a progressive increase in the plan outlays over the period of last four developmental decades. The outlay of Rs. 4 Crores in the First Plan (1951-56) has gone upto Rs.2000 Crores in Eighth Five Year Plan (1992-97).

Empowerment of Women as agents of socio-economic change and development became one of the nine specific objectives of the Ninth Plan (1997-2002). The Plan envisaged primarily to ensure that benefits flow to women from all the general development sectors. Some special initiatives taken during Ninth Plan included launching of an externally aided scheme of Swashakti (1998) for socio-economic empowerment of women through self reliant self help groups, instituting Sree Shakti Puraskars (1999), setting up of a Task Force under the Chairpersonship of Deputy Chairman, Planning Commission to review existing women–specific and women related legislations (2000), adoption of National Policy for Empowerment of Women (2001), celebration of the year 2001 as Women’s Empowerment Year, recasting of Indira Mahila Yogana as Swayamsidha (2001), Launching of Swaddhar (2001) to extend rehabilitation services for women in difficult circumstances etc.

Tenth Five Year Plan ‘Empowerment of Women’ as Agents of Social Change and Development was continued in the Tenth Plan. Towards this a Sector-specific 3-Fold strategy was adopted based on the national Policy for empowerment of Women (2001).

In the context of the preparations of the 11th Five year Plan (2007-2012), the Planning Commission constituted a Steering Committee on the Empowerment of women an development of Children under the Chairmanship of Dr. Syeda Hameed, Member, Planning Commission.
1.6 DEFINITION OF EMPOWERMENT

Empowerment in its simplest form means the manifestation of the redistribution of power that challenges patriarchal ideology and the male dominance\(^{29}\).

Keller and Mbewe\(^{30}\) describe empowerment as a process whereby women become able to organize themselves to increase their own, self-reliance to assert their independent right to make choices and to control resources which will assist in challenging and eliminating their own subordination. According to Pramila Kapur, ‘Women’s empowerment could be considered as a process in which women gain greater share of control over resources-material, human and intellectual like knowledge, information ideas and financial resources like money and control over decision making in the home, community, society and nation and to gain power\(^{31}\).

Empowerment is a multidimensional process, which should enable the individuals or a group of individuals to realize their full identify and powers in all spheres of life. It consist of greater access to knowledge and resources, greater autonomy in decision making to enable them to have greater ability to plan their lives, or have greater control over the circumstances that influence their lives and free them from the shackles imposed on them by custom, belief and practice. Empowerment of women may also mean equal status to the woman, opportunity and freedom to develop her. Empowering women socio-economically through increased awareness of their rights and duties as well as access to resources is a decisive step.


towards greater security for them\textsuperscript{32}. Empowerment can also be understood as an expansion in spaces-physical spaces, economic, socio-cultural and political spaces\textsuperscript{33}.

1.7 EMPOWERMENT THROUGH ENTREPRENEURSHIP

Empowerment and entrepreneurship complement each other. While successful entrepreneurship can lead to empowerment, empowerment enables the entrepreneur to be motivated enough to accomplish the set goals. Rural women need support, counseling and training to become empowered. Empowerment enables an entrepreneur to think independently and make her own perception and judgment\textsuperscript{34}.

The relationship between entrepreneurship and economic development is similar to the relationship between cause and effect. It is the spirit of enterprise among people that leads to the development of a particular society\textsuperscript{35}.

Two vital processes have been identified as important for empowerment\textsuperscript{36}. The first is social mobilization and collective agency, as poor women often lack the basic capabilities and self-confidence to counter and challenge existing disparities and barriers against them. Often, change agents are needed to catalyze social mobilization consciously. Second, the process of social mobilization needs to be accompanied and complemented by economic security. As long as the disadvantaged suffer from economic deprivation and livelihood in security, they will not be in a position to mobilize.

\textsuperscript{32} R.Ganapathi and C.Arjunam (2008), 'Women Entrepreneurship, problems, New Century Publications ,New Delhi, India.
1.8 SIGNIFICANCE OF THE STUDY

Empowerment is an ongoing process with psychological, social and economic facets to it. When one is enabled to decide about, and take control of one’s life, one is empowered. And for the process of empowerment to be total, one has to be psychologically, socially and economically empowered to decide about one’s life. Enhancing decision–making abilities and improving self confidence would be possible only if the existing socio-cultural structure is amenable for women. But in regions where subjugating women to men is followed as a matter of tradition, the process of empowerment would involve swimming against the current and is extremely difficult. The impact of some practices followed over time upon the society is deep, the consequent inferiority complex and lack of confidence among women can be a serious deterrent.

The solution should be one that resolves the issue of economic and social backwardness of the rural poor women. Non-Governmental Organizations are gaining in significance in their role in empowering rural women. Funded by both domestic and international sponsors, NGO’s have a tremendous influence upon the rural segment of the society.

In the context of empowering rural women in India and facilitating their development process, we find the role of self help groups (SHGs) in India to be extremely relevant. Rural women need support, counseling and training to become empowered. Empowerment enables an entrepreneur to think independently and make her own perception and judgment.

Developing economies like India, Pakistan, Sri Lanka, Malaysia and many other South Asian countries have always considered the small business sector as an important sector of the economy.
Small business and entrepreneurship in India are the prime-force in generating productive employment and ensuring a more equitable distribution of income in the process of economic development of the country. It facilitates effective mobilization of resources of capital and skills and helps to reduce poverty and unemployment.

Self employment is a key issue in today’s economic growth. In a developing economy where unemployment, poverty and inequality plague the process of economic development, the only alternative is self employment and its contribution for a better future. At present, the rate of participation of women is very low; 28% of them are working women and the percentage of self employed women is only 5.7%. The proportion of women entrepreneurs is found to be only 6.7% out of 16 millions small scale industry entrepreneurs in India.

While making national and sectoral plans the emphasis is on welfare schemes, and women are viewed only as beneficiaries and not contributories. It is high time that it is realized that the issue of women is one of development and not of welfare. They are generally targeted for anti-poverty and welfare schemes whereas men are provided with productive inputs like education and training. To focus on the former women need to be provided with either meaningful employment are motivated and trained to set up enterprises of their own. The latter course appears more feasible in view of the rampant unemployment amongst the youth of the country. Identifying and developing women entrepreneurship will not only result in economic benefits of growth, job creation and wealth distribution but also societal benefits of increased independence for women as well as job enrichment and satisfaction.

Women are the tribal societies contribute as much as or more than men to the family income. In a relative sense, they enjoy greater social and economic freedom
than the women in the caste society in India. There is much scope to develop entrepreneurship among tribal women.

The promotion of entrepreneurship among women depends very much upon organization, education, stimulation and motivation of the clientele through concerted and systematic approach, focusing on the individuals and groups. This object can be accomplished gradually through working with people and demonstrating the possibilities of women’s venturing into entrepreneurial activities, accompanied with adequate regards, economic development and social growth.

Empowerment and entrepreneurship complements each other. While successful entrepreneurship can lead to empowerment, empowerment enables the entrepreneur to be motivated enough to accomplish the set goals. Rural women need support, counseling and training to become empowered. Empowerment enables an entrepreneur to think independently and make her own perception and judgment.

Through well directed package of skill enhancement credit facilities and educational inputs, women can discover their economic role and gain recognition in society. Entrepreneurship can help women’s socio-economic independence and improve their social status. Automatically women get empowered once they attain economic independence. The development of women entrepreneurship enables society to understand and appreciate their abilities. It enhances their status and leads to integration of women in nation building and economic development. It provided the needed psychological satisfaction and gives a deep sense of achievement and an enhanced identify in society. The dynamic nature of small business calls for innovative approaches to entrepreneurship education and training and improved management techniques. Dissemination of innovative approaches and new knowledge developed is also extremely important in furthering the cause of entrepreneurship.
1.9 NEED FOR THE STUDY

Women involvement in economic activities is marked by low work participation rates, excessive concentration in the unorganized sector of the economy and in low skill jobs. There is a greater dynamism in the rate of growth of female employment. However, in rural areas, agriculture has provided more employment for women. Their literacy rate, which itself is the cause for low economic conditions, creates a vicious circle of low social and economic status. It is in this specific context, that the emergence of women entrepreneurs is to be viewed as a socio-economic emancipation of women.

The inequalities inherent in the Indian traditional social structure, based on caste, community and class have a significant influence on the low status of women in different spheres. Thus, the main issue which is still being debated is the kind of strategy to be evolved for raising their status and participation in the process of development. Hence, the emergence of women as entrepreneurs in India should be seen as a resurgence of the right fully respectable socio-economic status of women.

The gaps identified in the earlier studies depicts that Specific studies are not made to identify the problems of Women entrepreneurs in rural and tribal areas, there are little efforts to examine the level of Women empowerment through-entrepreneurship- in small / micro enterprises in rural areas, Role of Socio-economic and demographic factors in determining the status of Women entrepreneurs, Role of stress and living conditions of Women entrepreneurs before and after starting the micro enterprise in rural economy.

In order to fill-up the said gaps in the earlier studies, the present study “An Economic Analysis on Empowerment of Rural Women Through Entrepreneurship – A Case Study on Khammam District in Andhra Pradesh” is initiated.
1.10 SUMMARY

In this chapter described that women entrepreneurship in India and Andhra Pradesh. A brief discussion on empowerment of women in the Five Year Plans, Significance of the study, need for the study is presented. Majority of the studies indicated that socio-economic group of population in India. Review of literature, Need of the study, Objectives, Methodology and chapterisation is presented in the next chapter.

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