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Chapter 1

INTRODUCTION

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Chapter 1

INTRODUCTION

1.1 INTRODUCTION AND IMPORTANCE

WOMEN ENTREPRENEURS IN INDIA

“One must accept the fact that entrepreneurship is not related to sex of an individual. Women can be as successful entrepreneurs as men”.

Dr. V. G. Patel, EDI
Ahmadabad

Introduction:

Economic development doesn’t mean to reduce poverty or to improve the standard of living of all sections of society. The plan of economic development has to be supplemented with human development and human progress. In other words, optimum utilization of human resource is expected in the process of economic development. Empowerment is achieved through literacy. Literacy enables human beings to acquire skill, skill in turn yields income and income creates assets.

Entrepreneur lies at the centre of the process of economic development. A country may be rich in natural resources yet poor in terms of living standards until its people are able and willing to exploit its natural wealth. It is rightly said that ‘India is a rich country inhabited by the poor’. We are rich in terms of natural resources but poor in terms of the per capita income. The main reason for this state of affairs is that entrepreneurship is not as developed in India as it should be.
**Entrepreneurship Development – Meaning:**

Entrepreneurial Development means a programmed designed to help a person in strengthening his entrepreneurial motive and in acquiring competence and capabilities necessary for playing his entrepreneurial role effectively. Competence = Skills + Attitude + Motivation + Knowledge. Towards this end, it is necessary to promote his/her understanding of motives, motivation pattern, their impact on behaviour and entrepreneurial value. A programme which seeks to do this can qualify it be called as Entrepreneurial Development Programme.

**Importance of Entrepreneurship Development:**

Entrepreneur is really an architect of economic development of any country. It is an integral part of the strategy of industrialization, particularly in the small – scale sector. Without it, the resources of production remain stagnant and can never become products or services. The relationship between entrepreneurship and economic development is the relationship of cause and effect. It is the spirit of enterprise among people that leads to the development of a particular society. Entrepreneurship is the leverage that activates the rate of economic progress. Entrepreneurship is the leverage that activates the rate of economic progress. Entrepreneur being the sovereign of productive activity and key to economic development. Economic development essentially means a process of upward change. It can be defined as a process whereby the real per capita income of the country increases a long period of time. The role of entrepreneur in economic development has been considered to have greater impact on shaping the industrial growth and economic development in the developed and developing countries.
Entrepreneurship is a vital input in the industrial development of any country as entrepreneurial talents will make the fortune of the enterprise. Entrepreneurship is the task of bearing the risk and coordinating the factors of production towards prosperity in the uncertain environment. As a matter of fact, entrepreneurs and their entrepreneurial skills make the difference in the success or the failure of any industrial organization. The entrepreneur should inculcate the habit of bearing unexpected risk in the unexpected developments in the future activities of the organization with the uncertainty of getting the profits. Regarding entrepreneurship development equal importance is should be given to the women entrepreneurs as women have also proved their potential in running their units more efficiently.

The national policy of liberalization is expected to open flood gates for major industrial investments both from within and outside the country. The spurt in industrialization will bring about an all round economic development. This would mean both a need an opportunity for women entrepreneurs to participate in the economic activity of the country. Women constitute half of the population of the country and to sustain and maintain the expected economic boom, the country needs to fully mobilize and utilize all its resources including human resources. The participation of women in the economic activities is necessary not only from a human resource point of view but is essential even from the objective of raising the status of women in the society. The economic status of the women is now accepted as an indicator of society’s stage of development and therefore it becomes imperative for the government to frame policies for development of entrepreneurship among women, for the economic growth of country. Entrepreneurs initiate, increase and sustain the process of economic development.
Entrepreneurial competence makes all the difference in achieving the economic growth. The need of a broad based entrepreneurial class in India arises from the need to speed up the process of achieving the factors of production, leading to a higher rate of economic growth, dispersal of economic activities, development of backward and tribal areas, creation of employment opportunities, improvement in the standard of living of the weaker sections of the society and so on. Women entrepreneurs are making significant impact in all segments of the country. The position and status of women in any society is an index of its civilization. Women in business is a recent phenomenon in India. Emergence of women entrepreneurs in the economy is an indicator of women’s economic independence and their improved social status. “When woman moves forward the family moves, the village moves and the nation moves.” These words of Pandit Jawaharlal Nehru are often repeated because it is an accepted truth. Employment gives economic status to women. Economic status paves the way of social status.

This participation of women in the economic activities is necessary not only from a human resource point of view but is essential even from the objective of raising the status of women in the society. The economic status of the women is now accepted as an indicator of a society’s stage of development and therefore it becomes imperative for the government to frame policies for development of entrepreneurship among women. Entrepreneurship is one of the best ways of improving the socio-economic status of women in society. For utilizing entrepreneurship as the tool for improving the status of women in society, proper planning is absolutely essential.
Need for Development of Women Entrepreneurs:

According to Small Industries Development Bank of India (SIDBI) the term “Women Entrepreneur” signifies that section of the female population who venture out into industrial activities i.e. manufacturing, assembling, job works, repairs / servicing and other businesses. The Women Entrepreneur’s Enterprise has been defined as. “A small scale industrial unit/ industry related service or business enterprise managed by one or more women entrepreneurs in proprietary concerns, or in which she/they individually or jointly have a share capital of not less than 51 percent as Partners/Shareholders/Directors or Private Limited Company/Members of Cooperative society.”

Fuller Utilizations of Human Resources:

It is an accepted fact that the role of women in national development is a crucial one. Women have an important role to play in synthesizing social progress with economic growth of developing countries. As our late Prime Minister Smt. Indira Gandhi said “No society can go ahead if half of it is not given opportunity”. Men themselves cannot achieve their fullest potential if there is a large part of the population which is not by their side and helping them. It is in the interest of all, that women should be able to play a more positive and more creative role in all spheres nationally and internationally.

Empowerment:

Women play a key role in development both in the context of the family and in society at large. Including economy and social system and constitute nearly half of the population worldwide. In India, there are 49 crores females in the total population of 102 crores as per the 2001 census (Census of India, 2001) They constitute a sizable part of the potential human capital resource of the country. Hence, in the process of economic
growth, it is essential to attain more importance to the accumulation of human capital. As women are the key to economic growth in the developing countries, no county can eradicate poverty if it ignores women. “Women are the tremendous resource”, which no country can afford to undervalue, or under-use (Young, Kale, 1993). Therefore empowering women is a key element in the success of any Human Resource Development (HRD) programme.

In recent times, women are venturing into entrepreneurial activities and thus contributing to economic development. It is argued that women are endowed with high drive, creativity, and innovation, which are well-suited to the challenging role of entrepreneurship among women would help to integrate them into the development process of the country (Azad, 1988). The need for entrepreneurial awareness among women will contribute to the economic development. Entrepreneurial education for women will enhance the opportunities of trade in the global market.

- **Social Status:**

  The general objective of development programmes for women is to improve their status, so that their contribution to the national economy and the well-being of their families can be raised. Entrepreneurship development, especially women entrepreneurship, is the instant need of the hour. India needs dynamic and energetic entrepreneurs who will innovate organization, technology and products. Therefore, growth of entrepreneurship, giving due importance to women entrepreneurs is indispensable for accelerating the pace of socio-economic development, exploiting the locally available material resources, creating self and gainful employment.
Entrepreneurship can help in improving women’s economic independence and their social status too. Through this economic independence automatically women get empowerment also development of women entrepreneurship enables men to understand and appreciate women’s abilities. This in turn can lead to transformation of the nature of domestic life and it will create awareness about the potentiality in women through which, individual families and society at large can benefit. Women entrepreneurship through enhancing their status with man also can lead to integration of women in economic development.

Now women have started realizing their talents and potentials and want to gain their identity by becoming economically independent and have emerged as an important part of industrial growth. With the growing concept of women as equal to men, they have to come out of their traditional role perception, responsibilities and create an identity for themselves and assume a variety of responsibilities and entrepreneurship is one amongst them. Fortunately, in recent years, the area of women entrepreneurship is being given more attention in terms of Government concern, research and new courses etc.

- **Employment Generation:**

  Women entrepreneurs accept this challenging role. They adjust their personal needs, family and social life and economic independence. When a woman starts her own business and carries the same successfully she reduces the unemployment problem in three different ways:

  i)  She is self-employed.

  ii) She absorbs some people in her business and

  iii) She appoints someone to look after her family. i.e. kitchen, children, etc.
Entrepreneurship can be planned and developed and the need for providing appropriate environment to promote entrepreneurship is of vital importance in the case of prospective women entrepreneurs. The spirit of entrepreneurship can be lured to some extent by an appropriate pattern of education and training programme. Higher education should impart knowledge of facts on one hand and motivation on other.

Women are now seeking gainful employment in several fields with the spread of education. Women entrepreneurs are spreading their wings to higher levels of 3 Es namely Engineering, Electronics and Energy. Women are pulling up units to manufacture solar cookers as in Gujarat, small foundries in Maharashtra. TV capacitors in the industrially backward area of Orissa and women in Kerala are skilled in traditional and self-acquired crafts like embroidery, lace, toys, mat weaving etc. Even the so-called socially tabooed industrial activity of wire making and setting is being done by women entrepreneurs in Mumbai. So today, no field is unapproachable to trained and determined modern Indian women. But still it cannot be said that the women entrepreneurship movement has taken off the ground and it is felt that the movement is still in a transition period. Entrepreneurship for women can be planned and developed and the need for providing appropriate awareness and environment to promote entrepreneurship is of vital importance.

Today, fortunately, the scene has changed. Women entrepreneurs, though still very few in number, are successfully operating ventures with investments ranging from Rs. 25,000 to Rs. 5 lakhs and employing from 10 to several 100 employees. Though many have started ventures using women’s traditional skills in cooking, stitching, knitting etc. and have set up units manufacturing processed foods, readymade garments or offering beauty care services etc., there are others who have gone into very non-
traditional fields, using diverse technical skills and are competing with men successfully. Thus, there are women operating shipping and transport concerns, hotels, manufacture of switch gears, electronic tools radio and T.V. parts, chemicals and pharmaceuticals.

- Economic Growth and Development:

    In the field of entrepreneurship, we observe that a number of women have been able to scale similar heights like that of men. This naturally gives an impression that women have been able to contribute to the growth and development of the economy, by themselves being an engine of growth in their capacity as entrepreneurs.

    Now a day’s elite women in cities are making a mark in the nonconventional field such as marketing, advertisement, manufacturing of garments, exporting interior designing and decoration. Beauty clinics, handicrafts, textiles, printing, food processing etc. Today women have entered into non-traditional areas such as electronics, plastics engineering pharmaceuticals, chemicals and consultancy services.

    A tremendous increase in education opportunities for women has meant that women could compete with men for jobs at higher levels and participate in various economic activities including women entrepreneurship. Large portion of cooperation, encouragement, awareness with favourable climate will enable women entrepreneurs to enter the main stream of country’s economy, which will in turn speed up the economic development of our country.

    Women constitute a sizable part of the potential human capital resource of the country. Hence, in the process of economic growth, it is essential to attain more importance to the accumulation of human capital. As women are the key to economic growth in the developing countries, no country can eradicate poverty, if it ignores women. Women are the tremendous resource, which no country can afford to undervalue, or under-use (young, Kate, 1993)
Factors Responsible for Development of Women Entrepreneurs in India:

- **Spread of Education:**

  After Independence, all round efforts have been made to promote the welfare of women. A number of factors have contributed to unleashing women’s potential in the last decade. One of the most important is the tremendous expansion of educational facilities to women.

- **Training and Development:**

  The need for entrepreneurial development was first felt in fifties and since then substantial efforts have been made to develop institutional arrangement for entrepreneurship training. Entrepreneurship Development of India, Ahmadabad, National Institute of Entrepreneurship and small Business Development, New Delhi, Indian council of Women Entrepreneurs, New Delhi, National Science and Technology Entrepreneurship Development Board, New Delhi, National Standing Committee on Women Entrepreneurs etc. are some of the leading organizations set-up for the development of entrepreneurship. They organize Entrepreneurial Development Programme (EDPs) from time to time, some especially for women. In addition to that small industries Service Institutes, State Financial Corporation, Industrial Financial Corporation, and Commercial Banks etc. are also organizing EDPs. For women State Bank of India has evolved a comprehensive programme for Entrepreneurship Development. These organizations are conduction special programs for development of entrepreneurial skills and persuade participants to setup their independent business ventures.

Since 1975 the international year of women, there has been a global concern for the emancipation of women in India. Various programmes are being conducted in order to improve the status of women, their access to resources
and so on. But peripheral interest has been shown in developing a realistic and well designed plan and programme for promoting women entrepreneurs.

- **Conducive Environment:**

  Entrepreneurship can be planned and developed and the need for providing appropriate environment to promote entrepreneurship is of vital importance in the case of prospective women entrepreneurs. The bringing up of girls with sufficient exposure to the sophisticated updated process, by education and narrowing down gender gap, appears to have a significant influence on the personality of women.

  It is also observed that the socio-political and economic policies of the Government and opportunities are available in a society as a result of such policies influence entrepreneurship in a significant way. In addition, an effective functioning of the support systems like financial and commercial institutions, constancy services etc. play a crucial role in the development of entrepreneurship.

  The new industrial policy has stressed the importance of entrepreneurship among women. The department of small-scale industry under the Ministry of Industry, Government of India, had taken the initiative to train one-lakh women entrepreneurs to take up trade service and business related activities. In the first phase, it was proposed to undertake the training 30,000 women entrepreneurs in six selected centers. Besides this government have come up with various loans schemes.

  **Women Empowerment through Micro-finance**

"If we can come up with a system which allows everybody access to credit while ensuring excellent repayment - I can give you a guarantee that poverty will not last long, - Prof. Dr. Muhammad Yunus."
Microcredit is a financial innovation which originated in developing countries where it has successfully enabled extremely impoverished people to engage in self-employment projects that allow them to generate income, begin to build wealth and exit from poverty. Microcredit is the extension of very small loans to the entrepreneurs and to others living in poverty that are not considered bankable. These people lack collateral, steady employment and a verifiable credit history and therefore cannot meet even the most minimal qualifications to gain access to traditional credit. Microcredit is a tool for socioeconomic development. Prof. Muhammad Yunus explains the role of microcredit in facilitating women potential as 'women have plans for themselves, for their children, for their home, their meal'. Due to the success of microcredit, many traditional banking industries have begun to realize that these microcredit borrowers should more correctly be categorized as pre-bankable; thus, microcredit is interestingly gaining credibility in the mainstream finance organizations are contemplating microcredit projects as a source of future growth.

Role of NABARD

NABARD established as an apex institution, accredited with all matters concerning policy, planning and operations in the field of credit for agriculture and other economic activities in rural India with a vision to facilitate sustained access to financial services for the unreached poor in rural areas through various Micro Finance innovations in a cost effective and sustained manner. NABARD has been working as a catalyst in promoting and linking more and more SHGs to the banking system. The pioneering efforts at this direction were made by NABARD. In 1991-92, a pilot project for linking about 500 SHGs with banks was launched by NABARD in consultation with the RBI. It is considered as a landmark development in banking for the poor. On the recommendation of the NABARD the Reserve
Bank advised that the banks financing of SHG would be reckoned as part of their lending to weaker sections. As a follow up of the recommendations of the NABARD Working Group, the RBI took some measures in 1996 to give a thrust to micro finance based lending. Banks were advised to consider lending to the SHGs as part of their mainstream credit operations, to identify branches having potential for linkage with SHGs and provide necessary support services to such branches. Further, it was decided that NABARD would continue to provide refinance to banks under the linkage project at the rates stipulated from time to time.21

Micro Finance and Empowerment of Women

The importance of women to the economic development of India was first recognized during the country's struggle for independence. Empowerment is a social action process that promotes participation of people, organization and communities in gaining control over their lives in their community. There is urgent need of empowering women especially in rural areas. The formation of Self Help Group and Micro Financing will enhance their socio-economic position in the society. Small loans can make good business sense among the women. It has been noticed that women in particular stand to gain a lot from micro-finance because it gives them an independent means of generating wealth and becoming self-reliant in a society that does not offer them much scope for entrepreneurship. And since it is women who run the household, a higher standard of living for women ensures better governance and a healthier and more prosperous future for the children and a better future for the nation. The success of micro credit initiatives has often been attributed to their particular focus on empowering women and encouraging their self-reliance through developing their own means of income. Various case studies show that there is a positive correlation between credit availability and women's empowerment. It is
observed that majority of rural women who are associated with self-help group activity positively succeeded to gain themselves empowered.

Women in rural India lived in virtual isolation, unable to access even the most basic of services. But, with the formation of Women's Self-Help Groups, these women are now achieving social and physical mobility. It is recognized that while the empowerment of women is a process that will not happen automatically, SHG is a suitable means for the empowerment of women. The impacts of SHGs on socio-economic status of women were found significant.

Microfinance programmes are currently being promoted as a key strategy for simultaneously addressing both poverty alleviation and women's empowerment. Where financial service provision leads to the setting up or expansion of micro-enterprises there are a range of potential impacts including:

Increasing women's income levels and control over income leading to greater levels of economic independence. Access to networks and markets gives wider experience of the world outside the home, access to information and possibilities for development of other social and political roles. Enhancing perceptions of women's contribution to household income and family welfare, increasing women's participation in household decisions about expenditure and other issues and leading to greater expenditure on women's welfare. More general improvements in attitudes to women's role in the household and community.

**Entrepreneurship Development among Women through Micro-Credit**

SHGs are of recent origin in rural India to helping more than 17 million women from villages improve their incomes, educate their children, and buy assets. SHGs have also helped women campaign against oppressive social
practices and become a force of development in their villages. Before 1990s, credit schemes for rural women were almost negligible. The concept of women's credit was born on the insistence by women oriented studies that highlighted the discrimination and struggle of women in having access to credit.

Micro credits are enough for innovative and hard working micro entrepreneurs to start small business such as making handicraft items. From the income of these small businesses the borrowers of micro credit can enjoy better life, food, shelter, health care and education for their families and above all these small earnings will provide a hope for better future. There are certain misconceptions about the poor rural women that they need loan at subsidized rates of interest on soft terms, they lack education, skills, capacity to save, credit-worthiness and therefore are not bankable. The experiences of several SHGs reveal that rural women are actually efficient. Availability of timely and adequate credit is essential for them to undertake any economic activity rather than credit subsidy.

In rural areas the women micro entrepreneurs continue to produce the traditional designs for local markets. Women in SHGs produce a large variety of essential products, village crafts and homemade snack foods. Many are engaged in retail trading of groceries and textiles. These enterprises represent a substantial supply resource for semi-urban and urban markets. SHGs are also viable organized set up to disburse micro credit to the needy entrepreneur women and encouraging their promotion of poverty alleviation activities and programmes.
Role of Self Help Groups

The SHGs of rural women consists of members who are the poor, having low saving capacity and who depend on money lenders for meeting their consumption needs and social obligations. Formation of women into self help groups paved a way to develop their economic standards, thereby building self confidence. Women in SHGs have been encouraged by the government as well as NGOs to undertake self employment ventures with locally available resources. Availability of micro-credit helped SHG women a lot and many women came forward and established micro enterprises. At present a number of NGOs and financial institutions have been offering micro finance especially to rural women micro entrepreneurs. They also motivate training programmes to develop their entrepreneurial skills and capabilities. Specific trainings in manufacturing or service sector are available for the prospective rural women micro entrepreneurs. These institutions have been encouraging women to start micro enterprises. As a result micro entrepreneurship is gradually growing importance among the rural women.

➢ Problems in Entrepreneurial Development Among Women:

The most basic factor which inhibited women from taking to entrepreneurship till recently was the attitude of society towards a woman’s role and her place in the society at large. These social values and attitudes were reflected in the education and socialization of girls and in the institutional arrangements of society. Coupled with this, the ideal image of the woman as one who subordinated herself to the family, gloried in motherhood and regarded her husband as god. Compounding these social handicaps were the economic constraints faced by women. To start a business venture initial risk capital is essential. Traditionally women did not own any property in their own name, apart from their ‘streedhan. Which
could be mortgaged or used as collateral to raise money; nor did they have any independent sources of income.

There is an entrenched belief that women are not bread earners and what they do is supplementary activity, and that they should therefore take up those kinds of activities with which they are traditionally familiar such as making pickles, papads, doll-making, knitting etc. Also that they should run such units at home and this generally means run a rotate industry. Since they are conceived to run the business as a pastime or a spare time activity it is presumed that they lack seriousness and commitment. Society’s lack of confidence in a woman’s ability is also reflected in reluctance by the family to finance a woman’s venture.

Women are discriminated against in every sphere of life and are accorded inequtably a lower status than men. Further, their lower level literacy. Lack of skills. General enfeeblement and withdrawn nature have reduced them to lead a life of dependency.

There are certain misconceptions about women in management unfortunately, women are given lower status as compared to what is given to men in the hierarchy of management. However the present trend shows a fundamental change. In the corporate sector women are also holding key positions in management. First and foremost thing is that men and women are different with men gaining the superior status. Cultural, social and organizational practices, styles and laws act as primary barriers for the effective development of women entrepreneur. Women have to take care of the family and man is the bread winner. Social aspects have direct and most significant impact on the development of women and in their career. Male-female interaction pattern is based on the societal conservatism prevailing at their places. Organizational matters are not in favour of women as if is
composed of men. Opportunities widely differ between men and women. Some psycho-social factors hampering the growth of women entrepreneurship are:

i ) Lack of motivation:

ii ) Economic backwardness;

iii ) Lack of awareness of opportunities;

iv ) Lack of family and community support;

v ) Preference for traditional occupation;

vi ) Shyness and inhibition; and

vii ) Preference for secure jobs etc.,

In spite of the various measures taken by the government, however worthy they may be satisfactory progress is not as much as desired due to various problems. This may be due to lack of initiative and encouragement from the side of the government and from their family members. There is an urgent need to channelize the efforts of the government with a specialized package of incentives exclusively to the women entrepreneurs. It is also necessary to promote the efforts and activities of the agencies involved in fostering entrepreneurs among the women. The financial institutions should announce a package of schemes in order to lure prospective first generation women entrepreneurs. The financial institutions and other related agencies involved in the promotion of women entrepreneurship should have a reoriented curriculum of entrepreneurship development programmes. These programmes should be framed in such a way to impart training with practical orientation to the women, Entrepreneurs in all spheres of industry and business. These programmes should be comprehensive and result
oriented and linked with financial and managerial support to launch their industrial unit of their interest. The financial institutions should also focus their attention and see that women entrepreneurs should select right projects to match their investment and monitor the activities to transform their dreams information reality in their endeavours. In fact this sort of encouragement and commitment from the side of financial and other allied agencies is very much needed and that will pave the way for strengthening entrepreneurship among women entrepreneurs in India.

1.2 CONCEPTUAL BACKGROUND

The main objective of this chapter is to develop understanding about the concept of entrepreneurship in general.

- Conceptual Background

There is no single comprehensive definition of the terms ‘entrepreneur’ and ‘entrepreneurship’. These terms have been debated like many other economic concepts. They have been defined differently by different authorities and used in various senses other than the one in which they are used today. The concepts have evolved for more than two centuries. It would be interesting to trace the conceptual background and the evolution of these terms.

- Evolution of the Concepts:

The word ‘entrepreneur’ has been derived from the French verb, ‘entreprendre’, which means, “to undertake”. In the early 16th Century the Frenchmen who organized and led military expeditions were referred to as ‘entrepreneurs’ around 1700 A.D. the term was used for architects and contractors of public works.
Classical economists never defined the term ‘entrepreneur’ or ‘entrepreneurship’ precisely. Adam Smith, founder of the classical school of thought did not use the word. ‘Entrepreneur’ in his writings. Instead, he used the words, employer, master, merchant and undertaker. He never made a mention of the returns one could get for providing direction and organization. In his monumental work, “An Enquiry Into The Nature And Causes Of Wealth Of Nations”, published in 1776, Smith emphasized upon the role of capital formation in the development of an economy.

French economist, Richard Cantillon, an Irishman living in France was the first to introduce the term, ‘entrepreneur’ in the 18th century and refer it to economic activities. He defined ‘entrepreneur’ as, “the agent who buys means of production at certain prices in order to combine them into a product that is going to self at prices that are uncertain at the moment at which he commits himself to his costs.”

Cantillon emphasized the function of accepting economic risk in business. He described an ‘entrepreneur’ as a person who bought factors of production at a certain price only to sell the final product at an uncertain price in future. He also highlighted an entrepreneur’s decision-making function relating to the allocation of resources.

Another Frenchman, J. B. Say, expended Cantillon’s ideas and conceptualized the entrepreneur as an organizer of a business firm. He defined a entrepreneur as, “an economic agent who unites all means of production, the labour force of the one and the capital or land of the others and who finds in the value of the products which results from their employment the reconstitution the entire capital that he utilizes and the value of the wages, the interest and the rent which he pays as profit belonging to himself.”
Say highlighted the functions of co-ordination, organization and supervision. An entrepreneur according to him was an organizer and speculator a business enterprise.

John Stuart Mill was influenced by the writings of J. B. Say. In his boon “Principles of Political Economy” (1848) he regarded an entrepreneur to be organizer who was paid for his non-manual type of work.

Marshall in his book “Principles of Economics” (1891) stressed on importance of the special class of undertakers – they adventure – bring together the capital and labour required for the work. They engineer the general plan their enterprise and superintend its minor details.

Economists Say, Mill and Marshall stressed the role of entrepreneur as organizer and recognized him as the central figure in a business enterprise.

The Oxford English Dictionary (Education 1897) gave the meaning entrepreneur as, “The director or manager of public music institution, one was that an entrepreneur is a ‘music director’ But it has impliedly underlined the main activity of an entrepreneur i.e. coordination. However the 1933 edition of the Oxford English Dictionary stated, “Entrepreneur is one who undertakes an enterprise especially a contractor… acting as an intermediary between capital and labour”. In this edition, the dictionary has used the term with reference to economic activities. The meaning highlights the role of an entrepreneur as an ‘organizer’ and ‘manager’.

The concept of entrepreneurship and its theories evolved over more than two centuries, but nobody could rally provide clues to the exact meaning of the terms. It is because of this that Peter Kilby likened an entrepreneur with ‘Heffalump’ – a large and very important animal which was hunted by many individuals but no one could succeed in capturing him.
The people who claimed to have seen him described his peculiarities differently and so there was no consensus in their description about the animal. This is even like the story of the Seven Blind Men And The Elephant’, where each blindman described the elephant as felt and imagined by him.

Another interesting definition came from Frank Knight, in the year 1921. He propounded the theory that entrepreneurs were a specialized group of persons who undertook risks and dealt with uncertainty that could not be insured nor salaried. In his view entrepreneurs accepted the ‘uninsurable risks’ and profit was a reward for them for their risk-taking activities.

In the ‘Theory of Economic development; J/ A. Schumpeter narrated the dynamic role of entrepreneurs. His work was published in German in 1911 and its English version appeared in the year 1934. He made a significant contribution to the subject of economics in general and to entrepreneurship in particular. Earlier the classical and neo-classical economists like Adam Smith, Ricardo, Malthus, Marx considered capital (i.e. saving) investments and technology as main determinants of economic development. In their model of economic development, in entrepreneurship. He said it was because of innovations that an economy moved from the static to the dynamic position.

According to Higgins, “By ‘entrepreneurship’ was meant the function of seeing investment and production opportunities, organizing an enterprise to undertake a new production process; raising capital, hiring labour, arranging for a supply of raw materials and finding site, and combining these factors of production into a going concern; introducing new techniques and commodities, discovering new sources of natural resources and selecting top managers for day-to-day operations”
In Higgins definition, entrepreneurship is described as a function of handling economic activity, undertaking risk, creating something new, organizing and co-ordinating resources.

Arthur H Cole said, “entrepreneurship I the purposeful activity of an individual or a group of associated individuals undertaken to initiate, maintain or aggrandize profit by production or distribution of economic goods and services”.

Peter Drucker, the well-known American management expert, discussed the concepts of ‘entrepreneur’, entrepreneurship’, and ‘innovation’ in his books: the practice of management’ and ‘Innovation and Entrepreneurship’. He observed. “Innovation is the specific tool of entrepreneurs, the means by which they exploit changes as an opportunity for a different business or a different service. It is capable of being presented as a discipline, capable of being learned, capable of being practiced. Entrepreneurs need to search purposefully for the sources of innovation, the changes and their symptoms that indicate opportunities for successful innovation. And they need to know and to apply the principles of successful innovation.”

Drucker considered an entrepreneur to be a person who always searched for change, responded to it, and exploited it as an opportunity. According to him entrepreneurs innovated. Schumpeter and Drucker, have both emphasized the function of innovation and regarded it as a crucial part of entrepreneurship.

Thus from the above definitions, it may be said that the term ‘entrepreneur’ is defined in a variety of ways. Though, consensus has not been arrived at on the precise skills and abilities that make a persona successful entrepreneur, one may conclude that an entrepreneur is a person
who starts a new business (or carries out productive changes in an existing venture), takes the initiative, accepts risk, creates something new by using resources to provide value to his customers. Similarly, the term, ‘entrepreneurship’, a multi-dimensional task, defined differently by different authorities, may be understood to be a process of action an entrepreneur (person) undertakes to establish his/her enterprise. It is a creative and innovative, response to the environment. It is a composite skill, which is the result of a mix of many qualities, e.g. the quality to discover an investment opportunity, the quality to organize an enterprise etc.

The descriptions and definitions of the terms ‘entrepreneur’ and ‘entrepreneurship’ highlight certain function which an entrepreneur has to perform.

➢ Functions of An Entrepreneur

There has been a good amount of confusion regarding the functions of an entrepreneur. An entrepreneur has been projected as a multifunctional personality. According to the classical economists, he had to perform the role of a capitalist who supplied capital to a business enterprise. He was therefore regarded as the owner of that enterprise and got interest in return for his investment and not as an entrepreneur who got profits for the risks and uncertainties that he shouldered. No distinction was made between profits and interest. However, this belief could not hold true in the modern corporations where ownership was separated from management. In an effort to give a more concrete definition of the term, ‘entrepreneur’, and different roles were assigned to him. He was regarded as a promoter, co-ordinator, organizer, risk-taker, uncertainty bearer, innovator and decision-maker. It is because of this that an entrepreneur’s function appears to be complex in nature.
Modern writers outlined three broad functions of an entrepreneur viz. Innovation, Risk-bearing, Organization and Management. However, recent management thinkers are talking about entrepreneurial management. They are attributing the success or failure of an enterprise to industrial leadership. An entrepreneur essentially performs the leadership functions and so the leadership function can be listed as the fourth board function of an entrepreneur.

Following are the four important functions of an entrepreneur.

A. Innovation

According to Schumpeter and Peter Drucker, an entrepreneur is an innovator. Innovation, therefore, becomes the crucial part of entrepreneurship. Clemence defines innovation as “doing the new things or the doing of things that are already being done in a new way”.$^{15}$

Innovation is the new combination of factors of production. But it is essential to discuss the meaning of the terms, ‘discovery’, ‘invention’ and ‘innovation’ as they do not mean the same. Discovery means finding out or getting knowledge of. E.g. It would be right to say that Columbus discovered America. One cannot say that Columbus invented America or innovated America as he did not make it. He was the first to find it. Invention again would mean creation of something new. Invention always results in new knowledge, e.g. the invention of bulb by Thomas Alva Edison, which resulted into a new knowledge. Invention is the function of scientists. Similarly innovation is the function of an idea into useful application which results in new products or services. An entrepreneur uses the available knowledge and technology to satisfy the needs of customers. e.g. a personal computer, small camera of Kodak, walkman of Sony, a mobile phone etc. are all examples of innovation.

Schumpeter$^{16}$ says the of innovation covers the following five cases:
o **Introduction of new goods:**

One of the common forms of innovation is the creation of new products or new services for customers e.g. pagers, washing machines, vacuum cleaners, computers, etc. are new products offered to customers today. Similarly credit card facilities, home banking, etc. are new services resulting out of creative activity or entrepreneurship.

o **Introduction of a new method of production:**

An entrepreneur may introduce an improved method of production e.g. computer technology, electronic technology, bioengineering, etc. ‘E-Commerce’ has made a revolution in the field of trade and commerce.

o **The opening of a new market:**

An entrepreneur may identify and exploit a new market – the one which was not tapped earlier e.g. a number of multinational companies are coming to India to find out new markets for their products. Similarly more and more Indian companies are exporting their products to a large number of countries.

o **The discovery of a new source of supply of raw material, etc.:**

An entrepreneur may discover a new and cheaper source of supply of a raw material. In the present era of oil crisis the discovery or use of a new source of energy like solar energy or any other non-conventional energy in manufacturing activities would be considered as innovation.

o **The carrying out of the new organization:**

An entrepreneur may have new management techniques and new form of organization, for e.g. foreign collaboration, strategic alliance, total quality management technique, Kaizen Quality Circles, etc.
B. Risk Bearing

The second significant function of an entrepreneur is risk bearing which implies the assuming of responsibility for loss that may occur due to unforeseen contingencies of the future. An entrepreneur invests capital in order to establish and run the enterprise. He guarantees interest to lenders, wages/salaries to employees, rent to the landlord. After making payment to these persons, something or nothing may be left for him. Since the inception of the business an entrepreneur has to work in the environment of uncertainty. Economists like Cantillon, J.B. Say and others identified risk-bearing as the specific function of an entrepreneur. The risk involved in the business is not ‘insurable’ in nature. This point was stressed by F. H. Knight in the theory propounded by him. An entrepreneur has to bear the burden of risk. However, it must be realized that he accepts only ‘calculated’ and not ‘blind’ risk. Calculated risk-taking means accepting risk after rational analysis of the problem. The decision-making process is very scientific unlike in the bind risk, where decisions are taken by intuition or in an illogical manner. One may say gamblers take blind risk and entrepreneurs take calculated risks. Business is a game of skill. Ability of the highest order is required for success in entrepreneurship. An entrepreneur who is talented and motivated undertakes risks and bears uncertainties in business. The risks involved in the business are of the following types:

- **Career risk:**

  When a person sets up his business, he does not have any guarantee that he would get success in it. An entrepreneur, therefore, even stakes his career when he undertakes an entrepreneurial activity.
o **Economic Risk:**

An entrepreneur invests his savings or borrowings in building up resources like machinery and materials. He makes important economic decisions regarding products, extent of market and choice between alternate business opportunities. There is a possibility he may make losses and lose all economic resources. Besides, because of competition, change in economic policy, recession etc. a great deal of economic risk gets involved in business.

o **Technological Rich:**

Technological developments are taking place very rapidly. The rate of obsolescence is very high. The method of production and product become outdated in a very short period of time. This is the technological risk that the entrepreneurs undertake. E.g. cable network and VCR technology have posed problems before the film industry. Similarly because of the computer and printer, typewriters have become outdated.

o **Environmental Risk:**

Political, social, cultural, international, legal environments are also changing every now and then. These changes create problems before business. Strikes, riots, change in taste and fashion, natural calamity etc. are all the environmental risks an entrepreneur has to accept.

Thus, an entrepreneur with his quick grasp and adaptability has to face the above mentioned risks but with appropriate calculations.

**C. Organization and Management of Resources:**

Alfred Marshall recognized organization and management of the enterprise as the main function of an entrepreneur. This function implies bringing together of various factors of production for promoting business. The idea is to allocate productive resources in a manner in which losses would be
minimized and costs of production would be reduced. An entrepreneur undertakes the following activities with relation to the organization and management of resources.

- Identification and selection of business opportunity.
- Techno-economic feasibility assessment
- Collection and bringing together factors of production.
- Finding out sources of finance.
- Selection of land, machinery.
- Selection of form of organization.
- Obtaining legal clearances from various legal authorities like Factory Inspectors, Sales Tax Officers, Excise Officers, Registrar of Industries, etc.
- Recruitment selection and training of personnel.
- Selling and sales promotion.
- Production planning and control.
- Working capital management.
- Day-to-day management of the organization and performing functions like planning, decision-making, organizing, co-ordinating, controlling, directing, etc.

Thus, being at the helm of affairs, an entrepreneur has to plan, organize co-ordinate, direct, control, supervise and execute the business operations.
**D. Leadership Functions:**

The success and failure of every enterprise depends upon the quality of industrial leadership. e.g. Tata group, Kirloskar group, Amul Dairy, reliance, etc. have attained the present status because of their able leadership whereas, some companies have closed down on account of lack of competent leadership. The functions relating to entrepreneurial leadership are as follows.

1. **Personal Vision:**

An entrepreneur’s vision is a very important part of leadership. It is in fact the driving force of leadership. An entrepreneur foresees the future and prepares the long-term plan.

2. **Communication:**

An entrepreneur rationalizes the vision and communicates it effectively.

3. **Organizational Culture:**

Culture would mean, “What is allowed” and also “What is not allowed”. An organizational culture is created along with the organization itself. As a leader, an entrepreneur shapes the culture by setting standards and defining values.

4. **Knowledge an expertise:**

An entrepreneur’s knowledge and expertise provide the base for leadership and enable him to lead effectively.

5. **Creditability:**

An entrepreneur has to work hard and build creditability. Creditability is critical for leadership as it makes its easier.
6. **Performance of the Venture:**

An entrepreneur has to make decisions that will give him success. Only when the performance of the venture is satisfactory he will enjoy creditability. He has to not only see that performance is up to the mark, but make an endeavour to learn quickly and effectively from failure. He has to constantly work for results.

This as an industrial leader an entrepreneur has to be a visionary, planner and motivator.

**Qualities of an Entrepreneur:**

The secret of success of entrepreneurs lies in the distinguishing attributes that they posses. This is true in the case of all entrepreneurs irrespective of the nature of their business. their competence is the result of personality traits, knowledge and skills that they posses. And it is this competence that enables them to perform the entrepreneurial functions.

1. **Risk taking ability:**

This is the most important quality that entrepreneurs must possess. They must have the courage to accept business risk. An entrepreneur is not a risk-taker’ Entrepreneurs love to face challenges. Hence they accept moderate risks / calculated risks. They are not gamblers and so they do not accept blind risks. They believe in ‘No Risk No Gain’ Success often goes to those who dare to act and seldom to the timid.

2. **Self confidence:**

Entrepreneurs are people of self-confidence. They do not believe in luck or destiny. They have a positive self-image. They believe that they can shape their own destiny. It is because of this that they have the courage to do the things they believe are right.
3. Desire For Achievement:

Entrepreneurs have a strong desire to achieve high goals in business. This high achievement motive enables them to overcome obstacles. It may be said for them that, they are ordinary people with extraordinary determination. Once they set their goals, they strive to achieve them. This burning desire makes them more and more dynamic. They believe that failure can also prove to be a stepping stone to success. It is the strong desire to achieve the goal that makes them determined and perseverant.

4. Ability to Innovate:

An entrepreneur must essentially have an aptitude for searching out new ways and means of doing things. They must be innovative in their approach. Production or service is meant to meet the customer’s requirement. Innovate or perish is the rule of the present business game. The long run success of the business depends upon the ability to innovate and change. Innovation is the creative decision-making process. An entrepreneur constantly needs to ask himself, “How can I serve my customers better?” Entrepreneurs, therefore, initiate research and innovative activities to produce goods and services that will satisfy the customers changing demands. It is because of this that entrepreneurs must essentially have the innovative ability.

5. Vision:

To become successful in business entrepreneurs must be visionaries. Vision makes people innovative. Entrepreneurs live ahead of their times. They frame objectives and goals on the basis of their vision. They not only visualize the likely changes that will take place in the market, the technology etc., but also equips them for timely action.
6. **Hard work:**

Entrepreneurs have to put in a lot of physical and mental efforts for developing their ventures. They have to work for long hours. And it is this quality of willingness to work hard that distinguishes a successful entrepreneur from an unsuccessful one. According to them ‘success’ comes before work only in the dictionary. Thus, hard work is always an important trait of their personality.

7. **Independence of thought and action:**

Entrepreneurs by nature like to be independent. They do not like to work under anyone, not do they like to follow instruction. They have the capacity to do their own thinking and try out their own ideas. They have the inclination to manage their own affairs. The decisions that are finally taken are very much their own. However, opinions of experienced / skilled persons may occasionally be used as guiding forces. They have the courage and ability to think reasonably and systematically and also stand by the decisions taken by them Entrepreneurs are self-reliant people who are very clear about what they want to achieve.

8. **Alertness towards the environment:**

Entrepreneurs have to function in an ever-changing dynamic environment. The dynamic business environment created opportunities, threats and constraints for the business. Future of an enterprise depends on the understanding and management of the business environment. Entrepreneurs must essentially have an analytical mind, high intelligence, rational approach and pragmatism. Entrepreneurs are agents of change. They exploit the changes and look at them as gainful opportunities. They also take the initiative of bringing about changes.
9. **Technical knowledge:**

Entrepreneurs have to deal with resources and manpower. Their success depends upon the ability to adjust, adopt new conditions and newer technology. Technological knowledge would consist of devising new goods and new ways of producing existing goods and services. It would mean changing the pattern of production in the light of the available resources keeping in mind the competitive position in the market and also the quality of their product. Entrepreneurs do not have to be experts in science and technology but they must be in a position to understand the directions of change. Science and technology are advancing very fast. The business has to keep pace with changing concepts and methods. In the present complex globalized economy, entrepreneurs can get success only with sound technical knowledge. Technology in the new millennium is becoming the core strength of business. It is because of this that entrepreneurs need to have technical knowledge. Technology can help in resource conservation and in reducing wastage of material and manpower at all levels. It helps in achieving quality and hygienic production and hence its importance today.

10. **Ability to Mobilise Resources:**

Entrepreneurs success also lies in the ability to mobilise resources in the best possible manner for achieving business objectives. Cost of production has to be reduced without reducing the quality of the product/service. It is this skill that helps entrepreneurs to select, bring together and develop both the material and human resources for achieving business objectives. Entrepreneurs have to be good organizers.
11. Ability of Organization, Administration and Management:

Entrepreneurs have to have the ability of building a sound business organization. They have to possess, this most critical skill for building and developing their industrial units. They have got to select, train and develop persons who can manage and control the labour force. They have to put the right people in the right places. They have to stimulate initiative and enthusiasm for achieving the business objectives. They have to plan, co-ordinate, direct, and control the organizational activities. They have to be leaders in their organizations. They have to be technically competent to organize the work in their units. They have not only to organize, manage and administrate the affair of their organization but play the role of effective industrial leaders so that the workers can look up to them for guidance and encouragement.

➢ Types of Entrepreneurs:

The qualities that entrepreneurs possess will be more or less common e.g. all of them will possess the ability to take risks, organize the resources, make decisions, etc. yet each one of them will have an independent way of thinking, handling a situation, decision-making, etc. Every entrepreneur will show his own unparallel personality. However, for the purpose of study, entrepreneurs may be classified into four categories.

It was Clarence Denhof\(^{17}\) who classified entrepreneurs in four groups. In his study of American agriculture, he observed that a classification of entrepreneurs can be made with relation to development. As development progresses, quality and enthusiasm of entrepreneurship enhances.
Following is the description of the four types of entrepreneurs.

1. **Innovating Entrepreneurs:**

   An innovation entrepreneur can be described as one who introduces new goods or services, new methods of production, discovers new markets or carries out a new form of organization. He is an entrepreneur who has a creative approach. He is always eager to experiment on new ideas. Being aggressive in nature, he does not bother about results. He is a dynamic person and makes others around him work. However it is important to note that such entrepreneurs can work only when a certain level of development is already achieved. Such entrepreneurs are, therefore, found in more developed countries. This is because people in such economies are more receptive to change and improvement. They can afford to buy new and better products and services.

   Besides, in developed countries, innovating entrepreneurs can get enough material and financial resources for experimenting on new ideas.

2. **Imitative Entrepreneurs:**

   An imitative entrepreneur is one who is ready to adopt successful innovations introduced by innovating entrepreneurs. He himself does not innovate the change but imitates the techniques and technology innovated by others. Such an entrepreneur is particularly suitable for the underdeveloped regions or economies. He can bring about changes by imitating innovating entrepreneurs and thus promoting development in the underdeveloped countries.

3. **Fabian Entrepreneurs:**

   A Fabian entrepreneur can be described as a person who exercises great caution and scepticism in experimenting with any change. He imitates only when it becomes perfectly clear that a failure to do so would result in a loss for his enterprise.
4. **Drone Entrepreneurs:**

A drone entrepreneur is the one who just refuses to exploit opportunities for introducing changes. He does not make changes even when he suffers losses. He may continue to run his enterprise with low returns and take no steps to improve the situation.

Thus it may be concluded, as also explained by Danhof that entrepreneurs have less initiative and drive in the initial stage of economic development. But as economic development proceeds they become more innovating and enthusiastic. It is because of this that in underdeveloped countries Fabian and drone entrepreneurs are found in large numbers and when the economy starts developing, the imitating and innovating entrepreneurs start operating.

**Conclusion**

**Need and importance of entrepreneurs and entrepreneurship**

Entrepreneurial growth is regarded valuable in both developed as well as developing countries. An entrepreneur’s mind always works towards giving something novel and useful. The progress of an economy encourages entrepreneurs to come up with innovative ideas which in turn help the economy to progress further. The progress of entrepreneurship is important and is much needed on account of the following contributions it can make.

**Overall Economic Development:**

Economic development implies the development of all sectors like agriculture, industry, trade, transport, communication, education, science and technology, etc. Entrepreneurs act as agents of change in the process of development. Under their able economic leadership a country can progress rapidly.
Utilization of Natural Resources:

Entrepreneurs are the prime movers of economic development. Dynamic entrepreneurship can help in the full and ideal utilization of natural resources. A poor country can become rich, if there is growth of entrepreneurship. Similarly, a rich country can become poor due to lack of entrepreneurship. E.g. India is rich in natural resources but 50% of the people are living below the poverty line. This is called, ‘Paradox poverty’. There is underutilization of resources due to inadequate entrepreneurial activity.

Balanced regional Development:

Uneven regional development creates problems in both the developed as well as the backward regions. Migration, overcrowding, etc. will be the evil consequences that urban people or the developed regions will face on account of industrialization. Similarly the backward regions would face the problems of poverty, under-utilisation of resources, unemployment, etc. Entrepreneurship development would become extremely necessary in backward regions. Local entrepreneurs would use local resources and create employment opportunities and economic development of the region would be accelerated.

Entrepreneurship development is absolutely essential for all economies, especially in the underdeveloped and developing countries like India, where the poverty and unemployment problem is grim. This can be seen from the statistics provided in India 1999 of job seekers with the Employment Exchange. The number of job seekers with the Employment Exchange in the year 1986 was 30131 and this number went up to 37429 in the year 1996. The percentage increase in the number of unemployed went up from 0.4% in 1986 in 1.9% in 1996. The problem of unemployment will
become more acute in future on account of the demographic changes in India. The age structure of population is changing in India. The percentage of children is declining and that of the working age is increasing. In fact the working age population as estimated is going to go up to 53.4% in 2005 and to 60.5% in 2025. This shows that the unemployment problem would become rather acute in our country. Besides, the exit policy, golden hand shake, voluntary retirement scheme, downsizing, corporate restructuring, etc. are becoming the buzz words in our economy. The New Economic Policy in fact is popularly described as a ‘policy of jobless growth’. The use of modern technology is rapidly reducing the employment generation capacity. On this backdrop, self-employment, micro enterprise development, small industries development and therefore, entrepreneurship can work as solution to the severe unemployment problem.

Recently, India has become a member of the World Trade Organization (WTO). Liberalization, Privatization, Globalization (LPG), new monetary and fiscal reforms have become the characteristic features of the new economic policy. India is in the era of free market. These favourable transformations will remain unutilized if entrepreneurship is not fostered. The future economic reforms depend on entrepreneurship and hence its importance.

In the future economic scenario that A. P. J. Abdul Kalam points in his book “India 2020” entrepreneur and entrepreneurship have cardinal role to play. He talks of simultaneous growth of both the production and service sector of a continually expanding domestic market, of a technological upsurge in manufacturing, finance and R&D integration, of India leading the world in certain sectors like mineral based industries based on human knowledge and skill, food processing, drugs and pharmaceuticals, etc. In such a scenario, entrepreneurship is much needed to play its role and perform its magic.
Women Entrepreneurs—Some statistics:

Table 1.1 Population trend of Maharashtra

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Rural families in Maharashtra</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>38,19,012</td>
<td>34.55%</td>
</tr>
<tr>
<td>2002</td>
<td>1,25,92,783</td>
<td>35.75%</td>
</tr>
</tbody>
</table>

Source: Government of Maharashtra statistics published in DRDA magazine, A'bad-07

According to the Maharashtra government survey in 1997-98, the number of rural families in Maharashtra were 38,19,012, which is 34.55% of the total population. As per the Maharashtra government survey in 2002, the number of rural families in Maharashtra was 1,25,92,783, which is 35.75% of the total population. The families below the poverty line were 45,02,516. That indicates that in 2002, the number of families below the poverty line increased compared to 1997 by almost 15 lakh. Considering the population below the poverty line as well as the increase in rural families, it is a challenging job for the government to assure them of a fixed income source and bring them above the poverty line. So, self-employment plays an important role.
Table 4.9 No of BPL SHG by DRDA

<table>
<thead>
<tr>
<th>Sr No</th>
<th>Taluka</th>
<th>Table of SHG No of BPL SHG by DRDA</th>
<th>At the end of 2009</th>
<th>In 2010</th>
<th>Total upto 2009 +2010</th>
<th>Out of total the Women SHG</th>
<th>Working SHG</th>
<th>Standardisation as first grade</th>
<th>Standardisation as second grade</th>
<th>Working SHG</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>Kannad</td>
<td>742</td>
<td>742</td>
<td>490</td>
<td>737</td>
<td>400</td>
<td>337</td>
<td>254</td>
<td></td>
<td>116</td>
</tr>
<tr>
<td>2</td>
<td>Soyagaon</td>
<td>603</td>
<td>17</td>
<td>620</td>
<td>578</td>
<td>615</td>
<td>260</td>
<td>355</td>
<td>116</td>
<td>116</td>
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<tr>
<td>3</td>
<td>Sillod</td>
<td>772</td>
<td>17</td>
<td>772</td>
<td>586</td>
<td>770</td>
<td>635</td>
<td>135</td>
<td>239</td>
<td>239</td>
</tr>
<tr>
<td>4</td>
<td>Fulambri</td>
<td>307</td>
<td>-</td>
<td>307</td>
<td>234</td>
<td>297</td>
<td>144</td>
<td>153</td>
<td>81</td>
<td>81</td>
</tr>
<tr>
<td>5</td>
<td>Aurangabad</td>
<td>904</td>
<td>904</td>
<td>781</td>
<td>898</td>
<td>443</td>
<td>455</td>
<td>248</td>
<td></td>
<td>248</td>
</tr>
<tr>
<td>6</td>
<td>Khultabad</td>
<td>365</td>
<td>9</td>
<td>374</td>
<td>391</td>
<td>370</td>
<td>240</td>
<td>130</td>
<td>92</td>
<td>92</td>
</tr>
<tr>
<td>7</td>
<td>Vaijapur</td>
<td>710</td>
<td>-</td>
<td>710</td>
<td>579</td>
<td>707</td>
<td>449</td>
<td>258</td>
<td>203</td>
<td>203</td>
</tr>
<tr>
<td>8</td>
<td>Gangapur</td>
<td>737</td>
<td>-</td>
<td>737</td>
<td>590</td>
<td>662</td>
<td>395</td>
<td>267</td>
<td>206</td>
<td>206</td>
</tr>
<tr>
<td>9</td>
<td>Paithan</td>
<td>910</td>
<td>46</td>
<td>956</td>
<td>806</td>
<td>955</td>
<td>626</td>
<td>329</td>
<td>212</td>
<td>212</td>
</tr>
<tr>
<td>Total</td>
<td>6050</td>
<td>72</td>
<td>6122</td>
<td>4935</td>
<td>6011</td>
<td>3592</td>
<td>2419</td>
<td>1651</td>
<td></td>
<td>1651</td>
</tr>
</tbody>
</table>

Source:- Statistics 2011 Collector office Aurangabad

According to the statistics 2011 revealed by Collector office Aurangabad, the distribution in rural of Aurangabad District is displayed in table. According to the table in Aurangabad rural around 6011 SHG’s are in working or either in self employment, among which 1651 are in primary sector. The Table suggests that 4935 SHGs are in self employement in rural of Aurangabad
Table 1.3 The BPL SHG of Jalna district

<table>
<thead>
<tr>
<th>Taluka in Jalna District</th>
<th>Number of SHG BPL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jalna</td>
<td>633</td>
</tr>
<tr>
<td>Badnapur</td>
<td>457</td>
</tr>
<tr>
<td>Bhokardan</td>
<td>781</td>
</tr>
<tr>
<td>Mantha</td>
<td>342</td>
</tr>
<tr>
<td>Jafrabaad</td>
<td>627</td>
</tr>
<tr>
<td>Partur</td>
<td>525</td>
</tr>
<tr>
<td>Ambad</td>
<td>660</td>
</tr>
<tr>
<td>Ghansawangi</td>
<td>432</td>
</tr>
</tbody>
</table>

Source:- Dainik Lokmat 12 July 2012

According to the statistics revealed on 12 July 2012 by DRDA Jalna, there are approximately 4500 BPL SHG existed. Around 40,000 women have got self-employment in some or the other form such as goat farming, dairy grocery shops, brickmaking. For BPL SHG, the government agencies distributed 11 crores long term loan in Jalna district which directly benefitted around 3000 SHG women. Apart from this, the individuals were given around 1 cr for self-employment through DRDA Jalna in Swarna Jayanti Gram Swarojgar Yojna. That statistics also indicates the measures and efforts government is taking in development of women.
1.3 OBJECTIVES OF RESEARCH

1. To study the **profile and socioeconomic background** - Age, Education, Caste, Family background, qualities of Women Entrepreneur and SHG Women Entrepreneur.

2. To study motivational factors behind Women Entrepreneur and SHG Women Entrepreneur.

3. To study the **enterprise related factors** - Area of business, Turnover, location, year of establishment etc.

4. To study difficulties faced by Women and SHG Women Entrepreneur.

1.4 HYPOTHESES OF STUDY

1. Most of the women entrepreneurial activities are limited in manufacturing or trading, in traditional areas.

2. Entrepreneurship can help women’s economic independence and improve their social status.

3. Entrepreneurial trainings can improve the Entrepreneurial performance.

1.5 SCOPE OF THE RESEARCH

1. The study is limited to *Women Entrepreneurs* in Aurangabad and Jalna districts of Marathwada Maharashtra.

2. The Study considers the Women /SHG Women entrepreneurs only those who are in some enterprise or business activities.
Population
The researcher approached various associations and government offices to ascertain the data pertaining to registration of women entrepreneurs in the city limits of Aurangabad and Jalna of Maharashtra. Those were

- WOMEN ENTREPRENEURS/INDUSTRIALISTS OF MAHARASHTRA (WIMA)
- CHAMBER OF MARATHWADA INDUSTRIES & AGRICULTURE
  MARATHWADA ASSOCIATION OF SMALL SCALE INDUSTRIES AND
  AGRICULTURE
  INDUSTRIES ASSOCIATION OF YOUNG ENTERPRENEURS
  MAHARASHTRA CENTRE FOR ENTERPRENEURSHIP
  DEVELOPMENT
- DIC
- DRDA-DISTRICT RURAL DEVELOPMENT AGENCY
- MAVIM - MAHILA ARTHIK VIKAS MAHA MANDAL
- NABARD-NATIONAL BANK FOR AGRICULTURE AND RURAL
  DEVELOPMENT -
- CORPORATION OFFICES
- BANKS LIKE SBI- STATE BANK OF INDIA
  JILHA MADYAWARTI SAHAKARI BANK
- THE NGO’S LIKE DILASA, SHRAMIK VIDHYAPITH ETC

The list of general women entrepreneurs was obtained from various sources however it was noticed that general entrepreneurs list is not up to date. Hence exact sample for general Business women wasn’t obtained from these sources. The researcher approached them and extended from their personal acquaintance. Though authentic data from various SHG women
have obtained from various government offices some of them have just registered or some of them have shut down their activities after few time or some of them are working seasonally. Hence there was no Sampling frame. Since there was no sampling frame Snow ball sampling method was used. The study is confined to Aurangabad and Jalna districts of Marathwada. The researcher had selected around 100 women entrepreneurs and 150 SHG women entrepreneurs hence the total sample size was 250.

1.6 RESEARCH METHODOLOGY

1)) Collection of primary Data

Major part of the study is based on the survey method for which interview schedule was prepared to collect information from respondents. Interview is the main source of primary data coupled with observation technique. It includes

1. Questionnaire for general women Entrepreneur and SHG women Entrepreneur

2. Interviews with supporting business organizations, banks, NGOs, government offices

3. Interviews with renowned people

4. Study of government schemes and policies

5. Observations
2) Collection of secondary data

Secondary Data is collected through the relevant published material, Journals, Periodicals, Books and the Internet Service & business associations, government offices and study of government schemes, policies.

3) Data Analysis and Evaluation

The sequential task in the process of Research was, **Studying quantities** of questionnaires & other documents containing raw data. **Processing** was the next task; this includes **editing** of survey forms, **coding** of answers (if not pre coded) & **tabulation**.

After raw data is tabulated in structured way, then data is analysed with the help of various **statistical tools** like Average, Percentage, and Comparisons.

**Period of Research**

- Period of Research is 2004 to 2009 that is 5 yrs for studying women entrepreneurial performance.

**Some Definitions**

**General Woman Entrepreneurs:**- The researcher has defined general woman entrepreneur as one who is doing her business or in some business activity independently or in partnership.

**SHG women Entrepreneurs:**- The researcher has defined SHG woman entrepreneur as one who is doing her business or in some business activity in her SHG group. Not more than 2 women have interviewed from same group.
District Aurangabad

Synonymous with the world famous heritage sites of Ajanta and Ellora Caves, Aurangabad is a city still uniquely steeped in tradition, yet taking its tentative steps to world’s new economy. Part of the original Nizam state of Hyderabad, Aurangabad along with the six other districts of Marathwada were merged with Maharashtra after the 1960 reorganization of states, by virtue of having a major Marathi speaking population.

There is evidence to believe that Aurangabad was developed as a trading hub four centuries ago. It lies on a major trade route that used to connect north-west India’s sea and land ports to the Deccan region.

The city was a major silk and cotton textile production centre. A fine blend of silk with locally grown cotton was developed as Himroo textile. Much of the silk Industry has vanished over time, but some manufacturers have managed to keep the tradition alive. Paithani silk saris are also made in Aurangabad. The name of this cloth is derived from Paithan town.

In 1889 a cotton-spinning and weaving mill was erected in Aurangabad city, which employed 700 people. With the opening of the Hyderabad-Godavari Valley Railways in the year 1900 several ginning factories were started. In the Jalna alone there were 9 cotton-ginning factories and 5 cotton-presses, besides two ginning factories at Aurangabad and Kannad, and one oil-press at Aurangabad. The total number of people employed in the cotton-presses and ginning factories in the year 1901 was 1,016.

Until 1960, Aurangabad languished as a city, remaining as industrially backward. In 1960, the region of Marathwada was merged with Maharashtra. This was the timewhen the industrial development of the Marathwada region began, propelled through designated backward area benefits. And it was only when the Maharashtra Industrial
Development Corporation (MIDC) began acquiring land and setting up industrial estates that it began to grow. Aurangabad is now classic example of efforts of state government towards balanced industrialization of state. Some of the well known names are: Videocon, Garware, Ajanta Pharma, AMRI, Glenmark, Lupin, wipro, orchid pharma, Endurance systems, Rucha Eng, Indo German Tool Room, Ceekay daikin Ltd, Csmos Films, NRB bearings, Hindalco-Almex Aerospace, Can-pack India, Varroc, Dagerforst, Friogori Fico Allana, Nath Seeds.

Many firms have their manufacturing bases in Aurangabad in the sectors of automotive and auto components pharmaceuticals and breweries, consumer durables, plastic processing, aluminum processing, agriculture and biotech. Among Pharmaceutical there is Recombinant Insulin Manufacturing plant of Wockhards (Wockhardt Biotech Park) in Aurangabad, which is Largest Biopharmaceutical plant in India. Aurangabad also has 5 star hotels like ITC Welcomgroup’s The Rama International, The Ajanta Ambassador, The Taj Residence, The Lemontree (formerly the president Park) and the Aurangabad Gymkhana, Vits etc. The Shendra, Chikalthana and Waluj MIDC Industrial Areas are prominent industrial zones on the outskirts of the city, with various major multinational groups having set up manufacturing or processing plant in and around the city.

Aurangabad has tremendous potential and scope of development mainly in Tourism, Poultry, Fruits and vegetables, Food processing Industry, Liquor, Electronics appliances, Automobiles.

**Population 2011**

As per provisional reports of Census India, population of Aurangabad in 2011 is 1,171,330; of which male and female are 610,377 and 560,953 respectively. Although Aurangabad city has population of 1,171,330; its urban / metropolitan population is 1,189,376 of which 620,097 are males and 569,279 are females.
Aurangabad Literacy Rate 2011

In education section, total literates in Aurangabad city are 908,725 of which 497,404 are males while 411,321 are females. Average literacy rate of Aurangabad city is 89.13 percent of which male and female literacy was 94.08 and 83.81 percent.
Jalna district is one of the seventh districts of Aurangabad Administrative Region. Prior to the year 1981, Jalna was one of the tehsil of Aurangabad district. It has been formed as a separate district with effect from 1st May 1981 bifurcating it from Aurangabad district. It has been declared as one of the backward districts of Maharashtra State. Earlier, Jalna district comprises of 5 talukas. Recently 3 more talukas viz. Badnapur, Ghansavangi and Mantha have been formed. The geographical area of Jalna district comprises of 2.53% of the area of Maharashtra State. The majority of its population are engaged in agricultural occupations and there is little industrial development in the district. In order to make rapid industrialisation possible and with a view to decentralising the location of industries, the Govt. has made available a number of special concessions and incentives for the Jalna district.

Jalna district is having good Industrial background, especially famous for the Seed and Steel industries. The industrial development at Jalna is widely based on Engineering, Plastic and Agriculture. Pulses mills, oil mills, refineries, steel re-rolling, plastic, tiles & cement pipe, fertilizers, insecticides, pesticides and the co-operative sugar factories are also playing important part in the industrial development of jalna. There are also cotton ginning and pressing factories and an agricultural market produce committee handling large quantities of all kinds of agricultural produce, including cotton. In view of the overall industrial backwardness of the region, the state government has initiated a master plan to encourage the establishment of small and large-scale industrial units. Under this plan Maharashtra Industrial Development Corporation (MIDC) has set up an industrial area in Jalna consisting of large-scale, medium scale and small scale industries. Jalna industrial area has a large number of steel rolling mills, a unit manufacturing ball bearings, agro based units like dal mills and most
significant being large number of seed manufacturing units; Mahyco, Mahindra, Bejo-Shital are some of them. The MIDC has recently announced to setup bio technology park (BT Park) at Jalna with the help of private sector units. This park will give a tremendous boost to the BT sector in the backward area of Marathvada. The Mahyco, Mahindra, Bejo-Shital are some of the leading well known hybrid seed industries. NRB bearing Ltd is the leading manufacturer of ball bearings used in automobiles and other heavy industrial purposes. There are Four Sugar factories in the Jalna district.

Jalna has a potential and scope of development mainly in Agriculture Seeds, Fertilisers, Poultry, Fruits and vegetables, Food processing Industry, Oil Mill Steel and Trade.

**Jalna Population 2011**

As per provisional reports of Census India, population of Jalna in 2011 is 285,349; of which male and female are 147,714 and 137,635 respectively. Although Jalna city has population of 285,349; its urban / metropolitan population is 0 of which 0 are males and 0 are females.

**Jalna Literacy Rate 2011**

In education section, total literates in Jalna city are 209,531 of which 116,300 are males while 93,231 are females. Average literacy rate of Jalna city is 84.61 percent of which male and female literacy was 91.05 and 77.74 percent.
Map District Jalna
References

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