CHAPTER – II

ENTREPRENEURSHIP AND WOMEN ENTREPRENEURSHIP- A CONCEPTUAL AND PRACTICAL APPROACH

"Each mother experiences an internal conflict between a desire to nurture her children and desire to create meaning in her life in additional ways".

By- Heffener {Mothering: The Emotional Experience of Motherhood after Friend and Feminism}

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ENTREPRENEURSHIP AND WOMEN

ENTREPRENEURSHIP- A CONCEPTUAL AND PRACTICAL APPROACH

Introduction

The word “entrepreneur” is derived from the French verb *entreprendre*, which means, “to undertake”. In the earlier part of the 16th century, the French men who organized and led military expeditions were referred to as “entrepreneurs”. 1

French tradition regarded an entrepreneur as a person translating a profitable idea into productive activity. Around 1700 A.D., the architects and contractors of public works were called as entrepreneurs. Quesnay recognized a rich farmer as an entrepreneur who manages and makes his business profitable by his intelligence and wealth.

In the early 16th Century the entrepreneur was denoted as a dealer who bought a thing at a certain price and sold it at uncertain price and making a profit out of it. 2

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During 18th century, a French economist, Cantillon applied the term "entrepreneur" to business where a dealer purchases the means of production for combining them into marketable products. Another Frenchman, J.B. Say, expanded Cantillon's ideas and conceptualized the entrepreneur as an organizer of business firm, central to its distributive and production functions.

Encyclopedia Britannica considers an entrepreneur as "an individual who bears the risk of operating a business in the face of uncertainty about the future conditions."

Adam Smith described entrepreneur as a person who only provides capital without taking leading role in enterprise.

According to Joseph A. Schumpeter, "The entrepreneur in an advanced economy is an individual who introduces something new in the economy- a method of production not yet tested by experience in the branch of manufacture concerned, a product with which consumers are not yet familiar, a new source of raw material or of new markets and the like."

Schumpeter further states that entrepreneur's function is to "reform or revolutionise the pattern of production by exploiting an invention or more generally, an untried technological possibility for producing a new commodity..."

In short an entrepreneur is an innovator who introduces something new in the economy, Innovation may take place through:

(a) Introduction of a new product,
(b) Introduction of new methods of production,
(c) Developing new markets and exploring new source of raw materials
(d) To bring changes in the organization and management.

Schumpeter also adds that the main function of entrepreneur is to change pattern of production through new processes based on technological research and produce totally a new product or a commodity.

In a developing economy like India, Schumpters version on entrepreneurs cannot be made fully applicable because entrepreneur in a developing economy may be not necessarily an individual who innovates or starts something new but is one who starts a business or an industry or a service unit either old or new, who undertakes responsibilities and risks, bears uncertainties, which manage the unit and takes vital decisions. The leadership potentialities of women are awakening as a result of growing social awareness, increase in woman literacy rate, growing economic emancipation, equal rights and privileges under the Indian Constitution, social legislation enacted from time to time for improving the social status of women, health facilities integrated with family welfare and increasing opportunities of self employment.

In common parlance, an “entrepreneur” is very often considered as an individual who sets up his own business or an industrial unit with a view to make certain economic gain. In advanced economies, an entrepreneur is considered as one who starts his own and small business, which creates wealth and employment, innovate and evoke demand and they are job-
givers instead of job seekers. Many times a successful entrepreneur is one who always is action-oriented, can visualize the course of action from ideas to actualization.

Peter Drucker observed that, “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 source of innovation, the changes and their symptoms that indicate opportunities for successful innovation. And they need to know and apply the principles of successful innovation.” Peter Drucker says that an entrepreneur is one who makes always searches for change, responds to it, and exploits it as an opportunity.

According to Peter Drucker, innovation is a task, based on knowledge, which requires ingeniousness. Innovation should be considered as a specific tool of an entrepreneur, who can succeed provided they take it as an opportunity, exploit through their strengths and innovation should be close to the market, focused on the market or market driven. ³

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Hisrich. Robert.D.and Brush, Candida define entrepreneurship as “the process of creating something different of value by devoting the necessary time and effort, by assuming the accompanying financial, psychological and social risks and by receiving the rewards of monetary and personal satisfaction”. 4

Casson defines an entrepreneur as some one who specializes in taking judgmental decisions about the co-ordination of scarce resources.

ILO describes ‘entrepreneurs are people who have the ability to see and evaluate business opportunities; together the necessary resources to take advantage of them; and to intimate appropriate action to ensure success’. 5

Evans views the entrepreneur as a person who has the task of determining the kind of business to be operated.

According to Francis. A. Walker, the entrepreneur is one who is endowed with more than average capacities in the task of organizing and

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coordinating the various other factors of production. He should be a pioneer, a captain of industry. The supply of such entrepreneurship is however quite limited and enterprise in general consists of organizational skill and capability. The more efficient entrepreneurs receive a surplus reward over and above the managerial wages and this sum constitutes true profit ascribable to superior talent.

A. Selvaraj says, "enterprise always consists of action in uncertainty "; accept risks but understand and manage it; overcome, rather than avoid mistakes. Entrepreneurs do not admit that they are pushed back, but believe that they are responsible for the results, believe in creating markets for the ideas, not merely respond to the existing demand.

**Entrepreneurship- ‘A State of Mind’**

Entrepreneurship should be viewed as an indivisible process, which flourishes when the interlinked dimensions of individual psychological entrepreneurship traits, societal encouragement and business opportunities coverage towards the common goal of opportunity creation and exploitation. From this perspective entrepreneurship is a frame of mind and a continuous societal process. Therefore it is obvious that one does not become an entrepreneur by the mere act of starting or owning an enterprise.

For an entrepreneur more important are the nature, degree, and the extent of innovations that the entrepreneur introduces and that too on a continuous basis. Logically, individuals, especially those in family
businesses who on inheritance fail to add value in terms of productivity increases, market-place innovations, or organizational creativity would not qualify as entrepreneurs. Conversely it is held that any individual with an entrepreneurial frame of mind will always act as one irrespective of his time, place and position. Such an individual will be expected to have a high internal locus of control. He would expect himself to be the master of time and space around him and feel responsible for his productivity and contribution to society.  

What so ever may be the condition, an individual with internal abilities based ultimately on one own's mental framework gives him all the strength to predict and plan the future course of action. Every individual faces number of unwarranted situations, but all do not succeed because taking the things depends on the mindset and the attitude towards the situation. An entrepreneur with his mind set or psychological traits and societal support can meet the set goals and objectives. Blaming the situation and escapism from it or blaming the society and his fate lead him nowhere, but may end up with a disaster.

ENTREPRENEUR-'A DOER NOT A DREAMER'

"To be an entrepreneur one requires-
  a professor's intelligence,
  a fortune-teller's capacity to foresee the future,
  a rich man's bank roll,
  a salesman's persuasiveness,
  a financial talent for manipulating funds,
  an auditor's precision,
  a political leader's power and
  a magnetic personality of a film star".

Very few people possess even one or two of the above qualities. In fact, the only capacity essential for becoming an entrepreneur is a willingness to work hard.

The four words a potential entrepreneur often says

"Wait I will think".

But more opportunities are lost, more years wasted and more lives unfulfilled by these four words. Rest is assured if one does not like the freedom and the rewards of being their own boss, one can always go back to where they were.

The new enterprise equalizers are the intangible talents of the entrepreneur-enthusiasm, endurance, conclusiveness, leadership, product
pride, marketing skills and shrewdness. The key to make money is not to think about it at all. One cannot become an entrepreneur with the sole intention of making money, but one has to learn to enjoy his business and then the things automatically set right and can earn not only money but also something valuable.

The following lines give a different insight to an entrepreneur-

\textit{The heights by Great men reached and kept
Were attained by sudden flight
But they while their companions slept
Toiled upward through the night}. \(^7\)

\section*{1. Conceptual Backdrop of Entrepreneurship}

\textbf{Modern Concept on Entrepreneurship.}

The Industrial Revolution can be considered as a single big reason for the emergence of the entrepreneur. According to Nicholas Kaldor, Industrial Revolution was the result of "the displacement of production units governed by traditionalist outlook by business enterprises led by men who found risk taking and money making their chief interest in life". These entrepreneurs did not suddenly appear in the British Economy. The British society was slowly preparing a class of industrial leaders capable of leading the process

\(^7\) Balchandran. R, [2\textsuperscript{nd} quote]\textit{A Doer Not A Dreamer}—published in \textit{Business Entrepreneurs'}, Supplement to the \textit{‘Week’}, Dec. 12, 1993. \textit{‘Malayala Manorama’} Publications,
of development. These persons came primarily from the wealthy merchant and trading classes that the 17th and 18th centuries produced. These merchants were the combination of capitalist, financier, manager, merchant and salesman. Earlier according to the classical Economist Adam Smith, the importance of organizing land, labour and capital in a meaningful way to get the best out of them. However, these economists did not give the organizer of these factors the dictum “factor of production”. In fact another great economist Ricardo has worked in length and breadth about the capitalist farmer and his role in improving the “arts of agriculture”. But there is no reference about the entrepreneur in the English classical school about the entrepreneur. The economists of the latter half of the 19th and the 20th century made the entrepreneur the ‘fourth factor of production’.

After the advent of the Industrial Revolution in England, people started to innovate some thing and produce something not existing till now. They developed inventions and made an appreciable amount of discoveries in a variety of productive occupations. Their innovative behaviour engaged them in doing new and useful things or old things in an improved manner. Many times these innovators came to be known as entrepreneurs.

The entrepreneur is often thought of as a risk-taker. Schumpeter argued that his sole function was innovation.

During early twentieth century, Dewing equated entrepreneur with business promoter and viewed the promoter as one who transformed ideas into a profitable business. In enumerating the characteristics of a successful
entrepreneur. He wrote of the actual qualities of imagination, initiative, judgment and restraint. Arthur Dewing conceptualized the function of the entrepreneur as one that promotes ideas into business. 8

Cunningham and Lischerson in their recent work have described six possible schools of thought-

(a). 'Great person school' - says that an entrepreneur is born with an intuitive ability- a sixth sense and this sense helps him in start up stage.

(b). 'Psychological characteristics school' - explains that entrepreneurs have unique values, attitudes and needs, which drive them and help them in the early stage.

(c). 'Classical school of thought' - says that central characteristics of entrepreneurial behaviour are innovation, which helps the entrepreneur in the early growth of the unit.

(d). 'Management school' - says entrepreneurs are organizers of economic venture and they organize, own, manage and assume risk. Such functional orientation helps them in early growth and maturity.

(e). 'Leadership school' - says that entrepreneurs are leaders of the people and they have the ability to adopt their style to the needs of the people. This personality suits them both at early stage and at maturity stages.

(f). 'Intrapreneurship school' - it is the act of developing independent

units, to create, market and expand services within the organization. This is required at maturity and at point of change. 9

The term "entrepreneur" has been also defined as one who detects and evaluates a new situation in his environment and directs the making of such adjustments in the economic systems, as he deems necessary. He conceives of an industrial enterprise for the purpose, displays considerable initiative, grit and determination in bringing his project to fruition, and this process, performs one or more of the following:

(1) Perceives opportunities for profitable investments;
(2) Explores the prospects of starting such a manufacturing enterprise;
(3) Obtains necessary industrial licenses;
(4) Arranges initial capital;
(5) Provides personal guarantee;
(6) Promises to meet the shortfalls in the capital and
(7) Supplies technical know-how.

The term "entrepreneur" is now referred to industrialists, small businessman or traders and industrialists. All people who are gainfully engaged in work---manufacturing, distribution or service and other sectors---are called entrepreneurs. The term entrepreneur is to be understood in its totality and not in a fabricated manner. Innovation precedes entrepreneur

and runs parallel with entrepreneurship. The term entrepreneur can only be understood with a bearing on economic, psychological, sociological and cultural bearings.

2-ENTREPRENEURSHIP- CHARACTERISTICS & QUALITIES

Characteristics of an entrepreneur.

The characteristics of an entrepreneur that contribute to success are the result of his achievement motivation. All other characteristics emanate from achievement motivation. To be successful one has to possess certain qualities or characteristics. Unless they are action oriented and have the ability to foresee the steps from idea to actualization, it is hardly possible to succeed.

'They are thinkers and doers and are not mere dreamers'.

The characteristics of achievement motivated persons as identified by McClelland have been discussed by him as 'a successful entrepreneur must be a person with technical competence, initiative, good judgment, intelligence, leadership qualities, self-confidence, energy, attitude, creativeness, fairness, honesty, tactfulness and emotional stability.
Fig No: II.1 Characteristics of an Entrepreneur.
Essential qualities to be possessed to be an entrepreneur:

(1). **MIND TO ACHIEVE**: Most people dream of success and achievement, but do not take any actions towards achieving these dreams. Entrepreneurs, on the other hand, have a strong desire to achieve a higher goal and make their dreams come true.

(2). **PERSEVERENCE**: Once committed to a goal and a course of action, entrepreneurs become absorbed in it. They are not deterred by difficulties and problems that beset any project; they work hard until the whole project is successfully accomplished.

(3). **MODERATE RISK TAKER**: Entrepreneurs are not high risk-takers; they are not gamblers, they choose a moderate risk rather than they play wild speculative gamble.

(4). **ABILITY TO FIND AND EXPLORE OPPORTUNITY**: Entrepreneurial persons are quick to find and seize opportunities. They show an innovative turn of mind and convert difficulties into opportunities. But they are realistic too. They plan systematically and achieve their goals after realizing the opportunity.

(5). **ANALYTICAL ABILITY**: Entrepreneurs are realistic. They are not likely to let personal likes and dislikes stand in their way. When they require assistance, they select experts to help them. They generally do not go emotional with their business problems.

(6). **USING FEEDBACK**: Entrepreneurs always wish to have feedback of their performance. They rely on actual data, whether it is favourable or
unfavourable. The future plans depend on the feedback, hence entrepreneurs always rely on actual statistics.

(7). **FACING UNCERTAINTY**: Entrepreneurs tend to be optimistic even in unfamiliar situations. The odds may not be clear but the circumstances may be appealing. Entrepreneurs go ahead undeterred, sometimes without guidelines and frequently make the best of whatever opportunities there are. As they begin to understand their environment they begin to calculate their chances very closely. Thus paradoxically they present a picture of boldness in the face of the unknown and prudence in the face of the familiar. They normally win by applying their special insight and skill.

(8). **INDEPENDENCE**: It is found that most entrepreneurs start off on their own because they do not like to work for other people. They like to be their own masters and want to be responsible for their own decisions.

(9). **FLEXIBILITY**: Most successful people after weighing the pros and cons of a decision tend to change if the situation so demands. Successful entrepreneurs are people with open minds.

(10). **PLANNER**: After setting the goals for themselves, the entrepreneurs plan to achieve those goals in a certain time limit.

(11). **INTERPERSONAL SKILLS**: An entrepreneur who comes across different people possesses those skills to deal with the people of different nature. His personal skills help him in working with them and getting the work done from them.
(12). **MOTIVATOR:** Since an entrepreneur lives with the people, has to motivate them and influence in such a way to work with him to meet his goals. Maintaining co-ordeal relations needs motivation.

(13). **BUSINESS SECRACY:** An entrepreneur must be able to guard business secrets. Leakage of trade secrets to competitors may become a threat for his survival. Hence careful selection of his assistance has to be made by him.

(14). **COMMUNICABILITY:** An entrepreneur should have ability to communicate with people he comes across. Effective and clear communication smoothens the relations and makes the work simple.  

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### 2. ENTREPRENEURSHIP

The word “entrepreneur” is often used interchangeably with “entrepreneurship”. But conceptually speaking they are different, yet they are two sides of the same coin. Entrepreneur refers to an individual, whereas entrepreneurship refers to a process. Following differences can be drawn between an entrepreneur and entrepreneurship:

- Entrepreneur is an individual, whereas entrepreneurship is a process.
- Entrepreneur is a visualiser, creator and an organizer and a decision maker, where as entrepreneurship is a vision, creation, and an organization and a decision.

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10. ibid.
• Entrepreneur is a planner, motivator, innovator and a risk taker, where as entrepreneurship is planning, motivation, innovation and risk-taking.

• Entrepreneur is a leader, communicator and an administration, where as entrepreneurship is leadership, communication and administration.

Entrepreneurship management is basically concerned with the development and co-ordination of the entrepreneurial activities or the functions. Something, which is put into action by the entrepreneur to carry on the entrepreneurial functions, can be broadly stated as entrepreneurship.

Arthur. H. Cole has stated that entrepreneurship is the purposeful activity of an individual or a group of associated individuals under taken to initiate, maintain or organize a profit oriented business unit for the production or distribution of economic goods and services.

D.C.McClelland has identified two characteristics of entrepreneurship. Firstly doing things in a new and better way. Secondly, it is decision making in conditions of uncertainty.

Benjamin Higgins has defined entrepreneurship as, “entrepreneurship means the function of foreseeing investment and production opportunity, organizing an enterprise to under take a new production process, raising capital, hiring labour, arranging for the supply of raw materials and selecting top managers for the day-to-day operation of the enterprise”.

The following chart may give clear idea about the concept of entrepreneurship:

Fig No: II.2 Concept of Entrepreneurship.
Entrepreneurship can also be defined as an economic function not that happens at a single point of time but is a continuous process or a range of behaviour. The act of entrepreneurship does not stop or get over at a particular point of time, but at all stages it continues to exist. Entrepreneur cannot be separated from entrepreneurship; they move together.

According to Peter. F. Drucker, "Entrepreneurship is neither a science nor an art. It is a practice. It has a knowledge base. Knowledge in entrepreneurship is a means to an end. Indeed, what contributes knowledge in practice is largely defined by the ends, that is, by the practice". Though entrepreneurship is a complicated phenomenon, an approach, which is systematic, well developed and disciplined can help entrepreneurship to grow and develop.

The modern thinkers have identified the following three phases in entrepreneurship development-

(a). Initial phase __ Creation of awareness about the entrepreneurial opportunities based on survey.

(b). Development phase __ Implementation of training programmes to develop motivation and managerial skills.

©. Support phase __ Infrastructural support of counseling, assisting to establish a new enterprise
and develop existing units.

3. The Entrepreneurial Network


Educational institutions include Universities, colleges and research institutes imparting business education knowledge.

Govt and Non-Govt undertakings include central, state and local Govt offices, Non-Govt organizations, state legislative committees and other supporting agencies.

Competing firms normally the big and major firms act as a threat in both manufacturing and marketing. These may be within the country or outside the country.

Emerging firms include small business organizations, incubators, buyers or customers and suppliers.

Professional institutions supporting entrepreneurship include accounting and auditing firms, legal advisers, marketing and management consultants, financial institutions and banks.

Other supporting agencies include Social groups, civic groups, key individuals, programs and procedures and counselors.

Entrepreneurship is not only a complicated process but also a dynamic process. Hence it requires establishing links not only among individuals, but also between different institutions. More complex and more
diverse the web of relationships, the more the entrepreneur is likely to have access to opportunities, the greater are the benefits, the greater are the innovations and modifications, the greater are the competitive differences, and ultimately success rate is more and the enterprise can grow strong and healthy.  

Fig No: II.3 The Entrepreneurial Network.

4. ENTREPRENEURSHIP ENVIRONMENT

Entrepreneurship environment refers to the various facets within which the enterprises have to operate and survive. This environment refers to all enterprises whether big or small. The environment within which it has to operate influences the enterprise or the entrepreneurship. That which surrounds the entrepreneurship itself is the environment, which includes number of forces, which act independently and also jointly.

The following chart shows the Entrepreneurial Environment:

![Entrepreneurial Environment Diagram]

Fig No: II.4. Entrepreneurial Environment.
Entrepreneurial environment is broadly classified into six segments, which normally influence the entrepreneur and his enterprise.

Following gives the details of each segment:

**Economical:** - it includes economic policies, labour, trade, tariffs, incentives and subsidies.

**Social:** - it includes consumer, labour attitudes, opinions and motives.

**Legal:** - it includes rules and regulations.

**Cultural:** - it includes nature, traits aspirations and values.

**Technological:** - it includes competition and risk, efficiency, productivity and profitability.

**Political:** - it includes the political set up and the quality of leadership.

**Entrepreneurship and Economic Growth**

Economic development of any region is an outcome of purposeful human activity. Men assume various roles in the development process, namely as organiser of human capital, worker and a consumer. He stands at the centre of the whole process of economic development.

According to Schumpeter, economic development consists of “employing resources in a different way in doing a new combination of means of production”. 12

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Schumpeter further adds that "economic growth depends on the rate of applied technical progress i.e. innovation and rate of applied technical progress in the economic field which in turn depends on the supply of entrepreneurs in the society. Thus entrepreneur becomes the agent of change in society." 13

In the Indian context, entrepreneurship has yet another dimension. "An entrepreneur may not necessarily be an 'innovator' but an 'imitator' who would copy the organization, technology, products of innovators from other developed regions. His role as imitator is likely to be guided and controlled by the various constraints and conditions peculiar to his area of operation and the factor under which he conducts his minimal modest industrial activity". 14

From the above definitions it is clear that entrepreneurship growth and development depends on innovation as well as imitation of innovated products. But it is not true in all economic systems. The influences of the factors in the economic system do have a bearing on the development of entrepreneurship.


**Motto = Profit**

**CAPITALISM**
*Free Enterprise*

**ECONOMIC SYSTEMS**

**SOCIALISM**
*State Enterprise*
Motto = Common good of the society

**MIXED ECONOMY**
*State + Private Enterprise*
Motto = Profit + Common good of the society

Fig No: II.5 Entrepreneur and Economic Systems.
Entrepreneurship and Economic Systems.

Entrepreneurship plays an important role in the economic system. It can be also said that economic system determines the nature and scope of entrepreneurship.

Economic systems grow and take shape under the influence of industrial policy, socio-political and the cultural set up of the people. Economic systems are the basic structures on which some types of enterprises are established depending on the overall environment and the factors influencing the environment.

In prominent economic systems of the world such as Capitalism, Socialism and Mixed Economy entrepreneurship structures differ due to number of factors, which are influenced largely by political, social and cultural set up.

1. Capitalism: - 'Freedom' is the landmark in capitalism. Free enterprise, freedom to save or to invest, free and healthy competition, lack of the dominance of central plan and consumer's sovereignty are the main features that distinguish capitalism from other economic systems. In a free enterprise economy, the problem of what to produce is solved by the price mechanism. The goods are bought and sold in the market at a price, which is freely determined by the equality between demand for and supply of goods, with reference to the cost of production. It is for this reason that entrepreneurship fully commands a price and market mechanism. On the basis of this, the entrepreneur also controls the production and distribution
of goods by mobilising the resources to maximise his profit. Profit motive is
the main aim of the entrepreneur in a free market mechanism under
capitalism.

The entrepreneur in a capitalism is a competitor or monopolist or a
monopolistic competitor in the home market where as he is a cutthroat
competitor in the overseas market.

2. Socialism: - In socialism, private entrepreneurship does not play
any significant role but it is the responsibility of the central authority, which
exploits the resources, and organise an equitable an equitable distribution
of goods where profit is not the motto but it is the common good of the
society. Entrepreneurship exists in the form of an Organization or a body
consisting of the representatives nominated by the Govt., which frames the
policies for the proper usage of resources. The resources are channeled
towards those industries of national importance. The Central Body has full
control over production and distribution of goods both in the internal and
external market.

Since socialism is contrary to capitalism or mixed economy, the private
entrepreneur does not share all such responsibilities and his role under
such economy is negligible. At present except China the traces of socialism
exist in few European countries. After the disintegration of USSR, many
European countries that were socialist in form are facing severe economic
problems. But these economies are slowly converting themselves into
capitalism and mixed economies. Euro currency is introduced by these
economies to compete in the internal and international markets. Their success depends upon the entrepreneurial activity and the type of goods and services they produce and sell.

3. **Mixed Economy:** - In mixed economy, Govt undertakes the production of mostly capital goods, while the production of mostly consumer goods is by the private enterprises. Hence they are equally responsible for the upliftment of the society because they produce not only luxuries and comforts but also goods of basic requirements to the people.

Like a capitalistic economy, mixed economy also tries to solve the basic problems with the help of price mechanism. But when the mechanism fails to achieve the desired results, the State tries to intervene to find a better solution to the various problems.

In mixed economy when the private entrepreneur finds it difficult to solve the problem of production, the state tries to increase the production of essential goods and discourage which are less essential or not essential. Govt tries to remove the evils of monopoly through certain restrictions. The role played by an entrepreneur is important in mixed economy as both the public and private sectors are permitted to grow.

Entrepreneurship has vital importance in various economic systems. It is all the more important in capitalism and mixed economy because the responsibilities of entrepreneur in production and distribution are recognised but the objective of growth of business and profit maximisation is also attained. Therefore the importance of entrepreneurship stands
beyond challenge in every economic system except under socialism where it is different from capitalism and mixed economy. Entrepreneurship exists in all economic systems but their development and success depends on the social, economical, political and cultural set up.  

In India where the mixed economy prevails, the task before the Govt today is to industrialise the predominantly agricultural society in which capital is inadequate and labour is abundant. The modern industry has its own style and methods of functioning that vary widely from traditional methods and social set up in developing nations. Unless the overall structure of the society change it is difficult to transform the resources into goods as required by the society. Innovative research has brought certain tremendous changes in the Indian economy, but the gap is widening between indigenous art and imported art. Two extreme poles exist between few mighty industrial centres and the distant rural areas. Though Govt in its earlier Five-Year Plans and Economic Policies introduced certain provisions for entrepreneurial growth of both men and women they have partially succeeded and are unable to get the desired results. The worst sufferers are the small-scale entrepreneurs. Increase in the rate of unemployment on one side and the emergence of large number of supporting agencies on another side is no doubt welcoming the first generation entrepreneurs, but to establish the ventures and succeed is a

difficult task because they have to fight against the following -

1. Acute shortage of certain raw materials,
2. Hoarding of black money and flourishing black marketing,
3. Maladjustment and maldistribution in administration,
4. Wide gap between policies and their implementation, promises and performances.
5. Deficient financial and banking services.
6. Increasing cost of investment and credit,
7. Inefficient and inadequate management of production and marketing,
8. Shortage of essential marketing services,
9. Traditional marketing outlets,
10. Absence of business ethics and
11. Non commitment towards work, nation and society.

Under the influence of the above adverse forces entrepreneurship has to develop and grow in the Indian economy. It is the joint responsibility of the entrepreneurs, policy makers and the society to transform entrepreneurial ideas and skills into quality goods and services.
6. Technological Entrepreneurship and Techno-Entrepreneurs

The dynamic role of modern small business in economic growth has received fresh recognition worldwide. It is essential to promote and mobilize the dynamism of the private sector for accelerated national development. An unbridled private sector may not, however, ensure growth with equity.

As agents of change and progress, entrepreneurs start by identifying a market opportunity and matching this with social or technical innovations. The development of a product or a service with a high-technology content is never easy anywhere, specially in today's rapidly changing global environment. It calls for restructuring the available technology and business development system and developing the skills needed by a new breed of "techno entrepreneurs" to transform innovations into market opportunities at home and abroad. It also requires reorienting the present process and priorities of technical and economic cooperation among the countries.

A heavy down pouring of technology-based goods hits the market frequently, ostensibly affecting the quality of lives while simultaneously creating complexity and dislocation. The pace of progress in information technologies, microelectronics, robotics, biomedical sciences and other advanced technologies is significantly affecting the way of life. The growth of markets for these technologies/products also proceeds apace.
Technological change is taking place against a background of growing intra-national and international disequilibria. While the transformation from State-centered to market oriented development is opening up enormous opportunities and options, it has also caused severe short-term hardships. In order to survive and prosper in these changing times India and its enterprises need enlightened governmental policies, advanced technical infrastructure and receptive cultural roots to accept and welcome. Traditional production factors are giving way to a new paradigm characterized by new patterns of trade, investment and employment, and by informal networking life long learning and technological entrepreneurship. India at present with so many changes in social, economical and political fields is facing hardships to cope up with the global requirement. However change is noticed slowly. State enterprises are being corporatized pending privatization, and the share of knowledge based and information-related activities in the market place are rising perceptibly. Restructuring of policies regarding private sector is to be emphasized by the Govt. Another reason is the private sector in India has been slow in responding to economic liberalization and has generally failed to create the required labour force and technology in manufacturing and marketing.

Entrepreneurial opportunities can be found in every industrializing country, community and family. Value adding ventures with good growth potential can best be developed in an open market and in a culture, which supports risk taking. The techno-entrepreneurs anywhere has the challenge
of moving a concept through the prototype and production phases towards creation of a product, which meets market needs at a price consistent with the value created and with the ability of customers to pay.

Another equally important point is the market itself has to be developed and sustained. It is not enough to be the first with a better mousetrap if one does not have the skills to educate and reach potential buyers and to set the market standard. One has to distinguish between innovators and inventors. The inventor is a creative person in a quest for knowledge or for producing new products, without determining in advance whether the market exists or not for his inventions. On the other hand, the innovator draws on existing knowledge and the talents of others to develop or adapt a product or service to capture a significant portion of an identified market.

The flexibility and creativity of a small entrepreneurial techno-venture may lead to more incremental and break-through innovations than can be generated by large-sized firms in many sectors.

The imperatives of improved performance has serious implications for India if it is to survive, stay abreast and succeed with the rest of the developed nations. It calls for national efforts on systematic efficiency and productivity growth, the move from an investment driven to an innovative driven economy and sustained high order competitiveness; towards enhanced customer satisfaction at home and selected markets abroad. Indian techno-entrepreneurs to provide the competitive difference must be
inventors more than the innovators to have stable and sound market within and outside the country.

The pace and pattern of India's economic development now depends largely on its technical resource base. Now it is the time to create and set up tech-based ventures. Techno-entrepreneurs have to be supported by appropriate national structures and international linkages if they are to survive and flourish in an intensely competitive world. 16

The Indian entrepreneurs are facing a severe threat because of heavy dumping of cheap foreign goods in the inland market, which may badly affect the Indian industries if an immediate action is not taken either by the Government, industrialists, traders, market intermediaries and the public to see that the goods produced here after meet the international standards in terms of quality and price. Already the oil manufacturers are facing heavy losses due to import of low priced edible palm oil. In Kerala, a southern state of India, a big consumer movement has begun opposing the use of imported palm oil and the activists are trying to make people aware of using coconut oil instead of palm oil. To add further Indian entrepreneurs have to produce as per the international requirement and compete in the global market for their existence. The entry of cheap goods from countries like China, Korea, Malaysia, etc into Indian market is worrying the

entrepreneurs. The New Economic Policy of the Indian Government has made provisions to withdraw the restrictions on imports and to encourage free trade. Keeping this in offing many consumer activists are trying to make people aware of 'SWADESHI' goods (goods manufactured within the country with the inland resources). Now under such crucial circumstances, if the Policy is going to be implemented the entrepreneurs in India have to innovate their manufacturing techniques, skills in management and marketing strategies to meet the requirement of the day. Though Schumpter's and Peter Drucker's definitions on innovation and entrepreneurship is very much suitable for the entrepreneurial development in India, to fill this gap and meet the present requirement, sudden acceptance and change is rather far more reaching because many enterprises in India are still traditional, non-innovative, non-technical, not fully self-sufficient and have very less resources for research and development (R&D). 17

7. WOMEN ENTREPRENEURSHIP.

During 20th century, after World War II there is significant increase in the number of self-employed women. The fastest growing segment of the United States economy is women-owned businesses. Women entrepreneurs

are setting up business establishments at twice the rate of that of men. The U.S. Bureau of Census has revealed that women owned 26% of the business in 1980. This increased to 32% in 1990 and if the same rate of number of women entrepreneurs increase, it would go up to 50% by the end of the 20th century. In Canada, one-third of the small businesses are owned by women and in France its one-fifth. In U.K., since 1980, the number of self-employed women has increased three times as fast as the number of self-employed men. The U.S. Bureau of Census also reported in 1977 that there were only 7,02,000 businesses that were owned by women. This was only 7.1% of the total of business firms in the country. It also reported that only a little more than half of them operated outside the residence of the women. But a report half a decade back by the U.S. Internal Revenue Service (IRS) has revealed that there are 2.8 million female owned businesses, indicates the fastest growing group of new women entrepreneurs in the U.S. The Govt controlled agency called Small Business Administration (SBA) is giving financial assistance, offers courses in counselling to improve managerial competence and remove inexperience and in aptitude among women entrepreneurs.\(^{18}\)

The Bureau of Labour Statistics indicate that in the U.S. between 1974 and 1984 the number of self-employed women grew up by 74 percent or six times faster than self-employed men. \(^{19}\)

\(^{18}\textit{Entrepreneurial Development,} \text{ Paul Jose, Ajith Kumar and Mampilly. T. Paul, p- 65 & 67.)}\)

WOMEN HOLD UP HALF THE SKY

The implications of the old Chinese proverb that, "Women hold up half the sky" are beginning to permeate the thinking of bankers and economic policy makers.

The Organisation for Economic Co-operation and Development [OECD] hosted a three-day conference in Paris on Women Entrepreneurs. Behind the scenes at the conference, negotiations were under way for a global lending programme to support owner-managers and provide start-up capital. During 1996, US Bank Wells Fargo to change women entrepreneur's attitudes towards bank lending and to encourage borrowings opened $1 Billion credit programme aimed to assist women entrepreneurs. This programme was very successful that all the money was allocated in one year. Seeing the response, the Bank later announced a second programme making available $10 Billion for loans to women entrepreneurs.

Wells Fargo said that financial difficulties experienced by women-owned small and medium-sized enterprises arise because women make little use of bank lending, many times due to unhelpful attitude of some bankers.

Bias remains embedded in the system in many ways. Businesswomen still find that banks grant them access to lower levels of credit than their male counter parts. In spite of such hardships, statistics show that women entrepreneurs have an impressive record in repayment.
The National Foundation for Women Business Owners reports that women-owned firms are between a quarter and a third of all businesses worldwide.

The growth of female owned smaller enterprises continues to outpace the overall growth of business by nearly two to one in the United States of America.

Ann Diamantopoulou, secretary of State in for Ministry of Development Greece, underlined the scale of development, as “What for men are a natural success is a conquest for women”. In a call for years of discrimination to be overturned, she said, “We fight for our rights and not for privileges. Business has no gender”.

Maria Teresa D’Avila, president of the Portuguese Association of Women Entrepreneurs told the OECD Conference that dissatisfaction with their current employment often prompted women to set up companies. She also said that, ‘women entrepreneurs still need to be trained to manage their finances’.

Lois Stevenson, President-elect of the Canadian based International Council for Small Businesses stresses that, only through structured training programme, women can handle finance more effectively. Any women financed through her programme have to be compulsorily trained.

Chicago based Women’s Business Development Centre provides both advice and training to help women to locate sources of funding and obtain the certification required to bid public contracts.
Betsy Myers, Director of the United States White House of Women's Initiatives said, "The ultimate Empowerment is Entrepreneurship". This clearly indicates that Empowerment of Women is possible only through entrepreneurship. 20

WOMEN OUTNUMBER IN ELECTRONICS INDUSTRY IN MALAYSIA.

Contrary to the above, in Malaysia, as in Singapore and Mexico, there has been rapid expansion of labour-intensive manufacture for export. As elsewhere, textiles garment making and electronics assembly major employers are women among these industries.

In 1976-77 among female electronic workers in the factories of the Free Trade Zone of Penang, out of 45,000 workers in the electronics industry in Malaysia, and more specifically of the 16,000 employed in the free trade zone in Penang, about 95% are women. 21

8. The Concept of Women Entrepreneurship

Woman entrepreneur is one who initiates, organizes and operates a business enterprise.

If a woman adopts an economic activity either by imitation or by innovation or by adoption can be called as a woman entrepreneur.

The Govt of India has defined a woman entrepreneur as “an enterprise owned and controlled by a woman having a minimum financial interest of 51% of the capital and giving at least 51% of the employment generated in the enterprise to women.”

The definition quoted by Govt of India is under severe criticisms because the critics' point out that this is discriminatory and any enterprise set-up by women should qualify for the concessions should be within the framework of the definition. The validity of such a definition had been challenged at every step particularly in an International Convention on Women Entrepreneurs held in 1990. The point of deviation was that of providing 50 percent employment to women workers only.

The generally accepted definition includes women who create something new, organizes production and undertakes risk and handles economic uncertainties to adjust their needs, family life, social life and economic independence can be called as a woman entrepreneur. According to Kamala Singh-

“A woman entrepreneur can be defined as a confident, innovative and creative woman capable of achieving self economic independence individually or in collaboration, generates employment opportunities for others through initiating, establishing and running the enterprise by keeping pace with her personal, family and social life.”
8. Functions and Role of Women Entrepreneur

According to Frederick Harbison, a woman entrepreneur has the following five functions:

1. To explore the prospects of starting new enterprise,
2. To undertake risks and to handle economic and non-economic uncertainties,
3. To innovate or to imitate a successful enterprise already existing
4. To co-ordinate administer and control and
5. To supervise and to lead in all stages of the business.

Recent economist and writers have pointed out that women entrepreneurs are generally seen to undertake the following types of industrial enterprises:

(a). Operate purely as sub-contractor on raw materials provided by the suppliers.

(b). Manufacture items that are usually used by large scale units and

(c). Manufacture the consumer products, which are directly sold in the market.

Women entrepreneurs seem to prefer the production or manufacture of those products, which can be directly sold in the market. It is commonly noticed in country like India, where women in small-scale sector producing consumer durables and non-durables.
The woman entrepreneur is the child of middle-class parents, at least one of whom is independently employed. She has a class relationship with her father and after obtaining a graduate degree in some area of liberal arts, marries, has children and starts her first significant entrepreneurial venture in the service area in her late 30s or early 40s. Her biggest problems to start-up a venture is the lack of sufficient business training and this weakness is all the more in the financial area.

When compared with women in rural areas in India, The modern Indian woman who normally resides in cities has more exposure to higher education and better training. It is a fact that most city-bred parents give the girl child education in par with their sons. This has really helped the Urban Indian Woman to do all activities, which were once regarded as prerogative of men. Educated women are more ambitious, have more acquired skills, are more competent and self-confidant.

Profile of a Woman and Her Business

- First-born child of middle class parents;
- Father and/or mother in independent business;
- College-educated;
- Married;
- Early 3s for the first significant venture;
- Previous experience in new venture;
- Desires independence;
• Motivated by desire for independence and job satisfaction;

• Starts small-scale business;

• Moderate risk-taker;

• High tolerance for ambiguity;

• High energy level;

• Biggest problems at start up stage- lack of business training, difficulty of obtaining credit, non-accessibility of easy information, difficulty of marketing and personnel management;

• Biggest problems in current operations- lack of experience in financial planning, weak collateral position, difficulty in handling of cash and tax handling.

Some of the outstanding leadership qualities of women entrepreneurs.

1. Accept challenges, 2. Adventurous,
3. Ambitious, 4. Conscious,
5. Full of drive, 6. Educated,
7. Enthusiastic, 8. Determination to excel,
9. Hard working, 10. Keenness to learn and imbibe,
11. Patience, 12. Experienced,
13. Industrious, 14. Intelligent,
15. Motivator, 16. perseverant,
17. Studious, 18. Skillful,
10. Women Entrepreneurs in Three Different Spheres

Gender discrimination and disempowerment of Women and Women Entrepreneurs.

Women entrepreneurs operate through different spheres or environment. The overall context of Women Entrepreneurship Development (WED) can be described in terms of:

- The **macro sphere** within which women entrepreneurs create and develop their enterprises;
- The **meso sphere** (or the intermediary and institutional sphere) within which women entrepreneurs can operationalise their enterprises and
- The **micro sphere** (or family and household sphere) within which the gender specific division of labour and decision making power shape women's multiple identities, including her potential identity as an entrepreneur in a given culture and ideological context.

**The Macro Sphere**: The macro sphere or the macro environment within which all entrepreneurs (including women entrepreneurs) develop and grow is comprised of many interconnecting structures and dynamics, including laws and regulations, the economy, international trade, including market liberalization and globalisation, availability of finance and credit, the labour market, human capital resources, technology, physical infrastructure and natural resources.

This environment has impact on all enterprises, large and small both women and men, there is much evidence to indicate that women are more at
disadvantage than men in relation to the opportunities and barriers arising from these structures and dynamics. It is partly because women’s ability to bargain in the labour market, as in other arenas is critically affected by predominant gender ideology and practices. Bargaining takes place over wages, conditions of work and workers’ rights. However women’s bargaining power in the work place, as compared to that of men, is constrained not only by gender gaps in skills and education, but also by employers assumption regarding women’s abilities, work commitment, efficiency and needs, which is further exacerbated by the unequal sharing of family responsibilities in the micro level. This contributes towards the disempowerment of women.

**The Meso Sphere:** There are large numbers of organisation involved in providing support services to entrepreneurs. However, for variety of reasons many of the organisations tend to act as barriers when it comes to providing assistance to women entrepreneurs. In some cases this can be attributed to a lack of awareness about women’s concerns and insensitivity towards gender issues. It is at the meso level that it is found that many of the organisations, which implement policies and operationalise programmes, and their lack of support for women entrepreneurs contribute greatly to their continuing disempowerment. The state might formulate gender-progressive laws and policies; the resistance offered by the Govt bureaucracy, judiciary and other such official organisations, might hinder the implementation of these measures.
The Micro Sphere: In many countries in South Asia women experience an unequal power relationship with men which is often reflected in persistent inter-family inequalities in the distribution of tasks and male possessiveness and dominance also weakens a women's extra-household bargaining power. This amounts to deprivation of influence at all levels. Gender relations also determine the ascription to men and women of different abilities, attitudes, desires, personality traits, behaviour etc. – factors, which are seen to be important in entrepreneurship development.

Kinship organisations tend to militate against women and their economic empowerment, as most are based on patrilineal and patrilocal relationships where women rarely have access to property succession rights from fathers or husbands; where women move and live close to husband's place of work, and where women are obliged to live close to husband's family, even when he is deceased. Regarding the household context, where women are expected to carry out the household work, child-care and other tasks also restricts their economic opportunities. The requirement that women stay close to the home inevitably limits their potential to operate in business, involving as it does travel, even over short distances to procure supplies and meet customers. This is another strong reason for disempowerment of women entrepreneurship.

The gender differences occur in each of the spheres. The outcome of these gender differences ultimately is the result of disempowerment of women, which reflected in small and cottage industries and in micro level.

Entrepreneurship to overcome the financial difficulties or due to certain

push factors are those which force or compel a woman to take up an

something of her own and due to which she accepts it as a challenge.

an independent occupation, who has a deep desire or an urge to do

factors. Push factors imply those factors which encourage women to have

until due to certain factors. They are either the "push factors" or the "push

It is observed that women normally take up the venture of starting a

Push and Pull Factors.

Pie No: II.6  Women Entrepreneurs under three different spheres

depicted in the diagram below.

The above three different but interconnected spheres are
unfortunate family circumstances

Less than 13% of Entrepreneurship Development Programme trainees are women. Decisions relating to site selection for women are based on proximity to the home. Women experienced greater difficulties than men did in the start-up stage with family problems, collateral security, professional disrespect, and lack of technical training and marketing. Self-assessment by women entrepreneurs shows great differences from the characteristics normally associated with male entrepreneurs, such as passive - energetic, affiliative - independent, noncompetitive - competitive, private - social.

In India after 1980, there is a growing awareness of the need for women entrepreneurship in the development of the women as individuals and economy at large. After the post-independence period, it is noticed that Indian women are becoming aware about the profitability of entrepreneurship. Many women are getting higher education and their number is growing in technical schools and colleges. The composition of women working force is increasing in the service sector.

Though there is noticeable increase in the number of women entrepreneurs, yet the progress is slow. The new thrust given to the process of economic development of the country by the new dynamic leadership has created an all-round enthusiasm and the new slogan of “March towards the 21st century” gained popularity. But in this new enthusiasm, a very vital sector of the society, which can contribute substantially towards the economic development of the country, is not given the required attention.
This vital sector is women entrepreneurs. In fact, the Harvard School experts feel that the basic quality of efficient management is futuristic outlook and capacity to nurture and plan for the future or unknown. This comes naturally to women. Therefore, they feel that successful managers will be those who combine this feminist attribute of nurturing and futuristic planning with male aggressiveness. But this inherent management talent of woman and her entrepreneurial skill go unrecognized and unaccounted, as it does not show profit or loss in monetary terms.