CHAPTER – III

ENTREPRENEURIAL
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In this chapter an attempt has been made to examine Women's Entrepreneurial Development, Functions of Women Entrepreneurs, Growth and Problems of Women entrepreneurs.

3.1. DEFINITION

A. Entrepreneur

The word 'Entrepreneur' has been taken from the French Language where it cradled and originally meant to designate an Organiser of Musical or other Entertainments. Oxford English Dictionary (in 1897) also defined an Entrepreneur in similar way as "the Director or a Manager of a Public Musical Institution, one who 'gets – up' Entertainment, especially Musical Performance". In the early 16th Century, it was applied to those who were engaged in Military Expeditions. It was extended to cover Civil Engineering activities such as Construction and Fortification in the 17th Century. It was only in the beginning of the 18th Century that the word was used to refer to Economic aspects.
B. Entrepreneurship

In a conference on Entrepreneurship held in United States, the term 'Entrepreneurship' was defined as follows;

"Entrepreneurship is the attempt to create value through recognition of Business Opportunity, the Management of Risk – Taking appropriate to the Opportunity and through the Communicative and Management Skills to mobilize Human, Financial and Material Resources necessary to bring a project to fruition".

c. Women Entrepreneurs

Women Entrepreneurs may be defined as a women or group of women who initiate, organize and run a business enterprise. In terms of schumpeterian concept of innovative Entrepreneurs, Women who innovate, imitate or adopt a Business activity are called "Women Entrepreneurs". The Government of India has defined Women Entrepreneurs based on Women participation in equity and Employment of a Business Enterprise. Accordingly, a Women Entrepreneur is defined as "an Enterprise Owned and Controlled by a Women having a minimum Financial Interest 51 Percent of the capital and giving at least 51 percent of the Employment generated in the Enterprise to Women". However this definition is subject to criticism mainly on the condition of employing more than 50 Percent Women workers in the enterprises owned and run by the Women.
In nutshell, Women Entrepreneurs are those Women who think of a business enterprise, initiate it, organise and combine the factors of production, operate the Enterprise and undertake risks and handle economic uncertainties involved in running a Business Enterprise.

3.2 FUNCTIONS OF WOMEN ENTREPRENEURS

As an Entrepreneur, a Women Entrepreneur has also to perform all the functions involved in establishing an Enterprise. These include idea generation and screening, determination of objectives, project preparation, product analysis, determination of forms of business organization, completion of promotional formalities, raising funds, procuring men, machine and materials and operation of business.

Frederick Herbison has enumerated the following five functions of a women entrepreneur:

1. Exploration of the prospects of starting a new Business Enterprise.

2. Undertaking of Risks and the Handling of Economic uncertainties involved in Business.

3. Introduction of Innovations or Imitation of Innovations.

4. Coordination, Administration and Control.

5. Supervision and Leadership.
The fact remains that, like the definition of the term 'Entrepreneur', different steps of functions performed by an Entrepreneur whether Men or Women. All these Entrepreneurial functions can be classified broadly into three categories.

1. Risk — bearing
2. Organizations
3. Innovations

1. Risk — bearing

Richard Cantillon, an Irish man using in France, was the first who introduced the term 'Entrepreneur' and his unique Risk — bearing function in Economics in the early 18th Century. He defined Entrepreneur as an agent who buys factors of production at certain prices in order to combine them into a product with a view to selling it at uncertain prices in future. He illustrated a farmer who pays out contractual incomes, which are certain to the Landlords and Labourers, and sells at prices that are uncertain. He further States that so do Merchants also who make certain Payments in expectation of uncertain receipts. Thus, they too are 'Risk — bearing' agents of Production.

2. Organization

Jean — Baptiste say, an aristocratic industrialist, with his unpleasant practical experiences developed the concept of Entrepreneur a little further which survived for almost two centuries. His definition associates
Entrepreneur with the functions of Co-ordination, Organization and Supervision. According to him, an Entrepreneur is one who combines the land of one, the labour of another and the capital of yet another and thus, produces a product. By selling the product in the market, he pays interest on capital, ran on land and wages to labourers and what remains is his/her profit. Thus, say has made a clear distinction between the role of the capitalist as a financer and the Entrepreneur as an Organiser. He further Elaborates that in the course of undertaking a number of Complex Operations like Obstacles to be surmounted, anxieties to be Suppressed and Misfortunes to be devised, three more Implicit Factors are deemed to be Essential. These are:

1. Moral qualities for work judgement, perseverance and a knowledge about the business world.

2. Command over sufficient capital and

3. Uncertainty of profits.

Marshall also advocated the significance of organization among the services of special class business undertaken.

3. Innovations

Joseph A. Schumpeter, for the first time in 1934, assigned a crucial role of ‘Innovation’ to the Entrepreneur in his Magnum Opus ‘Theory of Economic Development’. Schumpeter considered Economic Development as a discrete dynamic change brought by Entrepreneur by Instituting new combinations of production, ie, innovations. The introduction of new
combination of Factors of Production, according to him, may occur in any one of the following five forms.

1. The introduction of a New Product in the Market.
2. The instituting of a new Production Technology, which is not yet tested by experience in the branch of Manufacture, concerned.
3. The opening of a new market into which the Specific Product has not Previously Entered.
4. The Discovery of a new source of supply of Raw Materials.
5. The carrying out of the new form of Organization of any industry by creating of a Monopoly Position or the breaking up of it.

In sum, the concept of the Entrepreneur is intimately associated with the three elements — Risk-bearing, Organizing and Innovations. Thus Entrepreneur can be defined as a person who tries to create some thing new, organise production and undertake Risks and Handles Economic uncertainly involved in Enterprise.

3.3 GROWTH OF WOMEN ENTREPRENEURSHIP

Women in India constitute around half of the Century’s Population. Hence, they are regarded as the “Better Half of the Society”. In the Official Proclamation, they are at par with men. But, in real life, the truth Prevails Otherwise. Our Society is still made – Dominated and Women are not treated as Equal Partners both inside and outside four walls of the house. In fact, they are treated as able, ie weak and Dependent on Men. As such, the
Indian Women enjoy a disadvantageous status in the Society. Let some facts be given. The much low Literacy Rate (40%), Low Work Participation Rate (28%), and low Urban Population Share (10%) of Women as compared to 60%, 52% and 18% respectively of their male counterparts well confirm their disadvantageous position in the society. Our age old socio–cultural traditions and taboos arresting the women within four walls of their houses also make their conditions more disadvantageous. These factors combinely serve as non–conductive conditions for the emergence and development of women Entrepreneurship in the country. Given these unfavourable conditions, the development of women Entrepreneurship is expectedly low in the country. This is well indicated by a dismally low level of women (5.2%) in total self–employed persons in the country. Further, women Entrepreneurs in India Accounted for 9% of the total 1.70 Million Entrepreneurs during 1988–89.

A Cross – Country Comparison reveals that Emergence and Development of Entrepreneurship is largely caused by the availability of supporting conditions in a Country. These supporting conditions, the share of Women owned Enterprises in the United States has rises from 7.1% in 1977 to 32% in 1990. It is likely to reach to 50% by the turn of the 20th century.
In India, women enjoy into business is a new phenomenon. Women entry into Business, or say, Entrepreneurship is traced out as an Extension of their kitchen activities mainly to 3 Ps, Viz, Pickles, Powder and Pappad. Women in India plunged into Business for both Pull and Push Factors. Pull factors imply the factors, which Encourage women to start an Occupation or Venture with an urge to do something Independently. Push factors refer to those factors which compel Women to take up their own business to tide over their Economic Difficulties and Responsibilities. With growing Awareness about Business and spread of Education among Women over the period, Women have started shifting from 3 Ps to engross to 3 modern Es, Viz, Engineering, Electronics and Energy. They have excelled in these activities. Women Entrepreneurs manufacturing Solar Cookers in Gujarat, Small Foundries in Maharashtra and T.V. Capacitors in Orissa have proved beyond doubt that given the Opportunities, they can excel their make counterparts. Smt. Sumathi Morarji (Shipping Corporation), smt. Neena Malhotra (Exports) and smt. Shahnaz Hussain (Beauty Clinic) are some exemplary names of successful and accomplished women Entrepreneurs in our country.

In India, Kerala is a stable with highest literacy (including women literacy) reflecting a Congenial Atmosphere for the emergence and development of Women Entrepreneurship in the State. According to a Study, the number of Women's industrial units in Kerala was 358 in 1981 which rose to 782 in March 1984. These 782 units included 592 proprietary
concerns, 43 partnership firms, 42 charitable institutions, 03 joint stock companies and 102 Co-operative societies covering a wide range of activities. On the whole, proper education of women in Kerala resulted in high motivation among them to enter into Business. The Financial, Marketing and Training assistance provided by the state Government also helped motivate Women to assume Entrepreneurial Career. Women’s desire to work at the place of Residence, difficulty of getting jobs in the Public and Private sectors and the desire for Social Recognition also motivated Women in Kerala for Self-Employment. Like Kerala, an Increasing Number of Women in entering the Business in the State of Maharashtra also.

3.4 PROBLEMS OF WOMEN ENTREPRENEURS

Women Entrepreneurs encounter two sets of problems Viz., general problems of Entrepreneurs and problems specific to women. These are discussed as follows:

1. Problem of Finance

Finance is regarded as “Life - Blood” for any enterprise, be it big or small. However, Women Entrepreneurs suffer from shortage of finance on two counts. Firstly, Women do not generally have property on their names to use them as collateral for obtaining funds from external sources. Thus their access to the external sources of funds is limited. Secondly, the banks also consider women loss credit-worthy and discourage women borrowers on the belief that they can at any time leave their Business. Given such situation,
Women Entrepreneurs are bound to rely on their own savings, if any and loans from friends and relatives which are expectedly meagre and negligible. Thus, women enterprises fail due to the shortage of finance.

2. Scarcity of Raw Materials

Most of the women enterprises are plagued by the scarcity of raw material and necessary inputs. Added to this is the high prices of raw material, on the one hand and getting raw material at the minimum of discount, on the other. The failure of many women co-operative in 1971 engaged in Basket – Making is an example how the scarcity of Raw – Material sounds the depth – knell of Enterprises run by Women.

3. Stiff Competition

Women Entrepreneurs do not have organizational set – up to Pump in a lot of Money for Canvassing and Advertisement. Thus, they have to face a Stiff Competition for marketing their products with both organized sector and their male counterparts. Such a competition ultimately results in the liquidation of women enterprises.

4. Limited Mobility

Unlike men, women mobility in India is highly limited due to various reasons. A single women asking for room is still looked upon suspicion. Cumbersome exercise involved in starting an Enterprise coupled with the officials humiliating attitude towards women compels them to give up idea of starting an enterprise.
5. Family Ties

In India, it is mainly a women's duty to look after the children and other members of the Family. Men play a secondary role only. Incase of married women, she has to strike a fine balance between her Business and Family. Her total involvement in family leaves little or no energy and time to devote for business. Support and Approval of Husbands seem Necessary Condition for Women's entry into Business. Accordingly, the Educational level and family background of husband positively influence women's entry into business activities.

6. Lack of Education

In India, around Three – Fifths (60%) of women are Still Literature. Illiteracy is the root cause of Socio – Economic Problems. Due to the lack of education and that too Qualitative Education, Women are not Aware of Business, Technology and Market Knowledge. Also, lack of Education causes Low Achievement Motivation among women. Thus, lack of education creates problems for women in the setting up and running of Business Enterprises.

7. Male – Dominated Society

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

8. Low Risk – Bearing Ability

Women in India lead a protected life. They are less educated and economically not self – dependent. All those reduce their ability to bear risk involved in running an enterprise. Risk – bearing is an essential requisite of a successful Entrepreneur.

In addition to above problems, inadequate infrastructural facilities, shortage of power, high cost of production, social attitude, low need for achievement and socio – economic constraints also hold the women back from entering into business.

3.5 DEVELOPMENT OF WOMEN ENTREPRENEURS – RECENT TRENDS

Days are gone when women in India remained confined to within four walls of their homes and their immense strength and potential remained unrecognized and unaccounted for. Now, they are increasingly participating in all spheres of activities. The fact remains that the citadels of excellence in academic, politics, administration, business and industry are no longer the prerogatives of men in India. The general consensus that is emerging in all discussions relating to the development of women Entrepreneurs should form
an integral part of all development efforts. The experience of the United States where the share of women owned enterprises is continuously on increase, strengthens the view that the future of small-scale industries depends very much on the entry of women into industry. Several national and international organizations and agencies have appreciated the need for and importance of developing women Entrepreneurs in recent years. A brief review of it is given here.

With a view to develop better half of the society, the United Nations declared the decade 1975-85 as the Decade for women. The UNIDO preparatory meeting on the Role of Women in Industrialization in Developing countries held at Vienna during 6-10 February, 1978 identified several constraints such as social, attitudinal and institutional barriers, inadequate employment opportunities, inappropriate and inadequate training, insufficient information and so on which held women back from participating in industrial activities. The world conference of the United Nations decade for women held at Copenhagen in demark on 30th June, 1980 also adopted a programme aimed at promoting full and equal Opportunities and treatment of Women in Employment and their access to non-traditional skilled trades.

The First National conference of Women Entrepreneurs held at New Delhi in November 1981 advocated the need for Developing to Women in allotment of land, sheds, sanction of power, licensing etc., The Second International Conference of Women Entrepreneurs Organized by the National
Alliance of Young Entrepreneurs (NAYE) held in 1989 at New Delhi also adopted certain declarations involving Women's Participation Industry.

The Government of India has been assigning increasing important to the Development of Women Entrepreneurs in the Country in recent years. The sixth Five-Year plan, for example proposed for promoting female employment in Women-Owned industries. The Government moved a step forward in the seventh Five-Year plan by including a special chapter on integration of Women in Development. The chapter suggested:

- To break women as specific target groups in all development programmes.
- To devise and diversify vocational training facilities for women to suit their varied needs and skills.
- To promote appropriate technologies to improve their efficiency and productivity.
- To provide assistance for marketing their products.
- To involve women in decision-making process.

In here recent industrial policy 1991, the Government of India further stressed the need for conducting special Entrepreneurship Development programmes for Women with a view to encourage women to enter Industry product and process-oriented courses enabling women to start Small-Scale Industries are also recommended in the Policy Statement.
There are several Institutional Arrangements both at the Center and the state levels like Nationalized Banks, State Financial Corporations, State Industrial Corporations, District Industry centers and Voluntary Agencies like FICCI’s Ladies Organization (FLO), National Alliance of Young Entrepreneurs (NAYE) which have been engaged in protecting and developing Women Entrepreneurs in the Country. Added to these is national and international Women associates set up with a purpose to create a congenial Environment for developing women entrepreneurship in rural and urban areas.

CONCLUSION

Women constitute around half of the total world population. So is in India also. They are therefore, regarded as the better half of the society. In traditional societies, they were confined to the four walls of house performing household activities. In modern societies, they have come out of the four walls to participate in all sorts of activities. The Global evidences buttress that women have been performing exceedingly well in different spheres of Activities like Academics, Politics, Administration, Social Work and so on. Now, they have started plunging into industry also and running their enterprises successfully. Therefore, which discussing on Entrepreneurial Development, it seems in the fitness of the context to study about the Development of Women Entrepreneur, a Women Entrepreneur has also to perform all the functions involved in establishing an Enterprise. These
include idea Generation and Screening, determination of objectives, project Preparation, Product Analysis, Determination of forms of Business Organization, Completion of Promotional Formalities, Raising Funds, Procuring Men, Machine and Materials and Operation of Business. There are two sets of problem one is general problems of Entrepreneurs and second problem specific to women entrepreneurs. The Indian women enjoy a disadvantageous status.

Efforts are on at the Government and Voluntary Agencies levels to tap the hither to Unrecognized and Unaccounted for strength of Women to integrate them in the process of industrial Development, more especially small – scale industry Development in the country.