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WOMEN ENTREPRENEURSHIP: A THEORETICAL PERSPECTIVE

2.1 Introduction:

Entrepreneurship plays an imperative role in the growth of any society. Development of entrepreneurship culture and qualitative business development services are the major requirements for industrial growth. Entrepreneurship emerges from an individual’s creative spirit into long-term business ownership, employment creation, capital formation and economic security. Entrepreneurial skills are essential for industrialization and for alleviation of mass unemployment and poverty.

As technology speeds up lives, women are an emerging economic force, which cannot be neglected by the policy makers. The world’s modern democratic economy depends on the participation of both sexes. Irene Natividad has observed that “Global markets and women are not often used in the same sentence, but increasingly, statistics show that women have economic clout-most visibly as entrepreneurs and most powerfully as consumers”. Today, women in advanced market economies own more than 25 per cent of all businesses and women-owned businesses in Africa, Asia, Eastern Europe, and Latin America are growing rapidly. In some regions of the world, transformation
to market economy, women entrepreneurs is a growing trend. However, in India, the actual participation of women in income generating activities is quite unsatisfactory, only eight per cent of the small scale- manufacturing units are owned and operated by women.

2.2 Concept of Women Entrepreneurship

Entrepreneurship is an economic activity which is undertaken by an individual or group of individuals. Entrepreneurship can be defined as the making of a “new combination” of already existing materials and forces; that entrepreneurship throws up as innovations, as opposed to inventions and that no one is entrepreneur forever, only when he or she is actually doing the innovative activity.

Women entrepreneurship is the process where women organise all the factors of production, undertake risks, and provide employment to others. The definition of women entrepreneurship has never been differentiated on the basis of sex and hence could be extended to women entrepreneurs without any restrictions.

According to Medha Dubhashi Vinze, a woman entrepreneur is a person who is an enterprising individual with an eye for opportunities and an uncanny vision, commercial acumen, with tremendous perseverance and above all a person who is willing to take risks with the unknown because of the adventurous spirit she possesses.
Thus, a woman entrepreneur is one who starts business and manages it independently and tactfully, takes all the risks, faces the challenges boldly with an iron will to succeed. Women entrepreneurship is an economic activity of 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 uncertainty involved in running a business enterprise.

Generally, economic development depends on the efforts of people to generate goods and services. This effort is labeled as ‘entrepreneurship.’ Such entrepreneurship may be classified into ‘innovative’ and ‘imitative’ entrepreneurship. Both of these entrepreneurship styles have a role to play in any economy. If innovative entrepreneurship lays the foundation for development potentials, the imitative entrepreneurship results in equitable distribution of fruits of economic development. Totally, entrepreneurship is referred to a ‘fourth factor’ of production and a ‘catalyst of development’.

Much earlier literature debates at length the question of how ‘entrepreneur’ should be defined. The debate has not yet concluded and a variety of ‘working’ definitions are adopted, the justification of which is rarely made clear. The bases for defining entrappers have ranged across the following: length of time in business; number of others employed [Creigh: 1986], level of turnover; innovation [Schumpeter: 1954] propensity for risk-taking; success [Hornaday and Aboud:
scores on need for achievement [McClelland: 1961] and so on. Specifically, Cantillion [Circa: 1700] portrays “an entrepreneur as the individual who assumed the risk for the firm.” Palmer [1971] states: “Risk assessment and risk-taking are the primary elements of entrepreneurship.” Further, Sexton and Bowman [1986] and Carland et. al. [1995] discover “a higher propensity for risk-taking among entrepreneurs.” However, Brockhaus [1980] and Sexton and Bowman [1983] indicate no significant differences in risk-taking propensities for entrepreneurs as compared to the general population.


Adding another dimension to the concept, Drucker [1985] defines “entrepreneurship as innovation in a business setting.” Further, Olson [1985] states entrepreneurship as “an invention, an activity analogous to innovation, as a primary entrepreneurial activity.” Further, Carland et al. [1984] proposes that innovation as the critical factor in distinguishing entrepreneurs from managers and small business owners.
2.3 Emergence of Women Entrepreneurs:

Basically, the emergence of women as economic realities and as an emergence force into areas that have been traditionally populated by men has taken two roots: (i) business start-up and ownership typically referred to as entrepreneurship; and (ii) the field of management [Begley and Boyd: 1987 Carland et. al.: 1984 and Hisrich and Brush: 1986]. However, the emergence of women entrepreneurs has undergone two evolutionary phases. The first phase started with women becoming a significant component of labour force and they became very effective entrepreneurs. Working women in general have heightened their profile in recent years and this will certainly be maintained in the foreseeable future, not least because of their increasing participation in labour force, they now form 42.6 per cent of work force [EOC: 1988]. A similar increase of women in management has also been evidenced. As of 2010, women accounted for of all managers, administrators, and executives, up from 26.1 percent a decade ago. It is clear that the number of women occupying positions in the management profession is increasing, as is the number of women who are starting their own companies. Workingwomen have raised their profile in society over recent years women’s entrepreneurship-an increasingly important sub-section of the world of work has received minimal attention.

The second phase began with working women switching over as women entrepreneurs and this entrepreneurial culture continues even now across the
world. According to the study by Halpern and Szurek [1987], this massive entrance of women entrepreneurs into economic arena can be judged by the actual numbers of women entering self-employment: between 1981 and 1987 the figures for women showed an increase of 70.00 per cent while for men an increase of only 30.00 per cent. It is also important to note that this pattern of increasing numbers of women entering self-employment is not purely a UK phenomenon: it is apparent elsewhere in the world [Small Business Administration: 1985].

Women entering into business are being witnessed with an increasing magnitude in every country. During the 1980’s, more than 50,000 women have annually started their own business firms, which have been included in the heavy demise of small business statistics offered for this period.

Further, the rate of growth in self-employment has recently been greater among women than men, women experienced an increase of 35.00 per cent from 1977-1982, compared to 12.00 per cent for men [Hisrich and Brush: 1984].

In 1960, women started only one in ten new businesses, but in 1985, this figure had increased to one in three.

In 1987, the latest year for which statistics are available, American women owned 30.00 per cent of all sole proprietorship and partnership business in US. During the period of 1982-87, the number of women owned business increased 57.5 percent, four times the rate of new enterprise creation in the US and
accounted for 13.9 per cent of the revenues [US Department of Commerce: 1990 US Department of Labor: 1989]. By the year 2000, women are predicted to own 50.00 percent of all business in the nation with revenues exceeding current levels [Nelton:1989 State of Small Business 1990].

Scarborough and Zimmer [1988] state that small business has been a ledger in offering women the opportunity for economic expression through entrepreneurship. Women are opening business of their own in record numbers which is said to be at a rate of about five times faster than that of men.

Sexton and Bowman-Upton [1991] observe the exponential increase in the number of business owned and managed by women has been the most significant development in recent years.

Similarly, 26.00 per cent of small businesses in Australia are run by women, with the highest female representation in the services industry (37.00 per cent) and the building and construction industry, whereas 43.00 per cent of businesses are operated by women, mainly on behalf of a tradesman spouse.

The National Foundation of Women Business Owners [NFWBO] reports that there has been tremendous growth in the number of women in non-traditional industries and two out of three women-owned firms remain in the retail trade and service sectors [NFWBO: 1994]. Although figures vary, it is estimated that women currently own 28.00 percent of all the business in the United States and are
projected to own 50.00 per cent by the year 2000. To conclude, women have
become the mainstay of both social and economic fabric of the society and they
are likely to occupy the central position in all the spheres of life.

2.4 Evolution of Women Entrepreneurship

Although women form a very large proportion of the self-employed
group, their work is often not recognized as “work”. The prevailing ‘house-
hold strategy’ catalyses the devaluation of women’s productive activities as
secondary and subordinate to men’s work. Women’s contributions vary according
to the structure, needs, customs and attitudes of society. Women entered
entrepreneurial activities because of poor economic conditions, high
unemployment rates and divorce catapult. In Babylonia, about 200 B.C., women
were permitted to engage in business and to work as scribes. By
14th century, in England and France, women were frequently accepted on a par
with men as carpenters, sadlers, barbers, tailors and spurriers. Dressmaking
and lace making guilds were competed more with men for some jobs, but were
concentrated primarily in textile mills and clothing factories. In 1950, women
made up nearly 25 per cent of both industrial and service sectors of the
developing countries. In 1980, it increased to 28 per cent and 31 per cent
respectively. Meanwhile, in 1950, 53 per cent of females and 65 per cent of
males of industrialized countries were in non-agricultural sectors. As a
result of the economic crisis of the 1980s and the commercialization and modernization of the economy, women lost employment in agriculture and industries. This pushed women in urban areas to find out a suitable solution for generating income, which resulted in the emergence of self-employment, largely in micro- businesses in the informal sector.

2.5 Evolution of Women Entrepreneurship in India

In India, women’s participation in economic activity is common from time immemorial. The role of women has gone through several transitions. It took centuries for women’s roles to move in the present direction. There are some regions where women live in a barbarian era, chained and shackled to the social taboos, restrictions and lakshmanarekhas of others who frame a code of conduct. At the same time there are other regions where women fight for and win freedom and opportunity to play their roles in a new context with new occupations and a new way of life.

As regards the ancient industries of India, family was the unit of production where women played an important role in the production process. Even in Mohenjodaro and Harappa culture, women shared a responsible position with men and helped in spinning and clay modelling and other simple arts and crafts. Women played a very pivotal role in creating household utility requirements and agricultural activities and weaving during the Vedic Period.
In the traditional economy, they played vital roles in agriculture industry and services. They were the makers of intoxicant soma-juice, a skilful task. In the 18th century, women had a significant role in economy and a definite status in the social structure. Women’s informal trading activities in the international distribution system have been well documented since early 1950s. Since 1970 systematic efforts have been made by the Government to promote self-employment among women. Women entrepreneurship in India became popular in the late 1970s and now more and more women are emerging as entrepreneurs in all kinds of economic activities.

According to the 1971 Census, the total female working population is about 13.8 per cent of the total work force. It was only from Fifth Five Year Plan (1974-78) onwards that women’s development was recognized as an identified sector. 1980s provided the real breakthrough for women in many fields and many frontiers. During the 1990s, women were capable, competent, confident and assertive and had a clear idea about the ventures to be undertaken and they succeeded in them. Many women entered large-scale enterprises of their parents or husbands and proved their competence and capabilities. Women acquired high self-esteem and the capability of solving the problems independently through economic independence.
In the 21st century women are becoming experts in all the fields. With the growing awareness about business and the spread of education, they have entered new areas such as engineering, electronics and energy and acquired expertise in these fields. Many of the new industries are headed and guided by women. However, in India a large number of highly educated women do not seek employment. Marriage and family have always been the first choice for most Indian women. Female role prescriptions have created mind blocks. Men are more likely to engage in entrepreneurial activities. The number of men in autonomous start-up category is twice that of women, thrice in the category of manageresses.

2.6 Importance of Women Entrepreneurship

Women perform an important role in building the real backbone of a nation’s economy. There is considerable entrepreneurial talent among women. Many women’s domestic skills such as people and time management and household budgeting are directly transferable in the business context. Women have the ability to balance different tasks and priorities and tend to find satisfaction and success in and from building relationships with customers and employees, in having control of their own destiny, and in doing something that they consider worthwhile. They have the potential and the will to establish and manage enterprises of their own. These qualities and strengths of women
are to be tapped for productive channels. But simultaneous creation and development of small business among women is a difficult task. According to Brady Anderson J., “Even though women’s contributions to business are one of the major engines of global economic growth, too often, women do not have access to basic business education, commercial credit and marketing opportunities. Maintenance of proper quantitative balance among various economic activities is one of the principal functions of the economic system, which should operate to give equal freedom of choice to men and women.

The process of economic development would be incomplete and lopsided, unless women are fully involved in it. The orientation of a society as a whole, regarding desirability that women should play an equal part in the country’s development, is a very important precondition for the advancement not only of women, but the country as a whole. The highest national priority must be for the unleashing of woman power which is the single most important source of societal energy. Women entrepreneurs should be regarded as individuals who take up roles in which they would like to adjust their family and society, economic performance and personal requirements. “Emancipation of women is an essential prerequisite for economic development and social progress of the nations”.

In the closing years of the 21st century, multi-skilled, productive and innovative women entrepreneurs are inextricable for achieving sustained
economic growth. Globalisation of industrial production and economic interdependence has become the torch-bearers for all international co-operations. In the dynamic world which is experiencing the effects of Globalisation, Privatisation and Liberalisation, women entrepreneurs are likely to become an even more important part of the global quest for sustained economic growth and social development. The economic status of woman is now accepted as an indication of the society’s stage of development. Women (especially rural women) are vital development agents who can play a significant role in the economic development of a nation, but they should have an equal access to productive resources, opportunities and public services. It has also been realized in the last few years that the widespread poverty and stunted economic growth can be overcome only by gainful and sustainable economic participation of women. National development will be sluggish, if the economic engine operates only at half power. Women in Enterprise Building has emerged as an agenda for many policy makers, researchers, and trainers and as well as for associations and organisations involved in women development. If women acquire skills, they can carve a niche for themselves in the outside world too. This is the reason why women entrepreneurship development has become a of great concern and serious discussion in recent times.
2.7 Women Entrepreneurship in India

Women entrepreneurship in India represents a group of women who have broken away from the beaten track and are exploring new vistas of economic participation. Women in India entered business due to pull and push factors. Their task has been full of challenges. In spite of the family opposition, many women have proved themselves independent and successful entrepreneurs.

The emergence of women entrepreneurs and women-owned firms and their significant contributions to the economy are visible in India and these businesses are ready for continued growth in the future.

In India, women are relatively powerless with little or no control over resources and little decision making power. Women in the informal sector are found to be home-based workers, engaged in the petty manufacture of goods, either on piece rate basis or on own account, petty traders and petty shopkeepers or service specialists. Studies reveal that 89 per cent of India’s women workers toil in the informal sectors in sub-human conditions. Over 2/3 of the enterprises are self owned and have a fixed capital of less than Rs.50/- . Over 4/5 of the women workers in this sector earn less than Rs.500/-p.m. The income earned by women in this sector is said to be about ¼ of that of a woman in the organized sector”.

Nowadays women are well-educated with technical and professional qualifications. Many of them have medical, management and similar degree and diplomas. Many entered their family business as equal partners. Women
set up their own clinics or nursing homes, small boutiques, small manufacturing enterprises and entered garment exports. They have their own personal choices and the courage to undertake new ventures. However, many have to face family antipathy and do not get adequate support from their family.

2.8 Organisations Promoting Women Entrepreneurship in India:

1. National Resource Centre for Women (NRCW)
   An autonomous body set up under the National Commission for Women Act, 1990 to orient and sensitize policy planners towards women’s issues, facilitating leadership training and creating a national database in the field of women’s development.

2. Women’s India Trust (WIT)
   WIT is a charitable organisation established in 1968 to develop skills of women and to earn a regular income by providing training and employment opportunities to the needy and unskilled women of all communities in and around Mumbai.

3. Women Development Corporation (WDC)
   WDCs were set up in 1986 to create sustained income generating activities for women to provide better employment avenues for women so as to make them economically independent and self-reliant.
4. Development of Women and Children in Urban Area (DWCUA)

DWCUA was introduced in 1997 to organize the urban poor among women in socio-economic self-employment activity groups with the dual objective of providing self-employment opportunities and social strength to them.

5. Association of Women Entrepreneurs of Karnataka (AWAKE)

AWAKE was constituted by a team of women entrepreneurs in Bangalore with a view to helping other women in different ways – to prepare project report, to secure finance, to choose and use a product, to deal with bureaucratic hassles, to tackle labour problems, etc.

6. Working Women’s Forum (WWF)

WWF was founded in Chennai for the development of poor working women to rescue petty traders from the clutches of middlemen and to make them confident entrepreneurs in their own right. The beneficiaries are fisher women, lace makers, beedi making women, landless women, labourers and agarbathi workers.

7. Association of Women Entrepreneurs of Small Scale Industries (AWESSI)

It was founded in Ambattur in Chennai in 1984 to promote, protect and encourage women entrepreneurs and their interests in South India to seek work and co-operate with the Central and State Government services and other Government agencies and to promote measures for the furtherance and
protection of small-scale industries.

8. Women’s Occupational Training Directorate

It organizes regular skill training courses at basic, advanced and post advanced levels. There are 10 Regional Vocational Training Institutes (RVTIs) in different parts of the country, besides a National Vocational Training Institute (NVTI) at NOIDA.

9. Aid the Weaker Trust (ATWT)

ATWT was constituted in Bangalore by a group of activists to impart training to women in printing. It is the only one in Asia. Its benefits are available to women all over Karnataka. It provides economic assistance and equip girls with expertise in various aspects of printing and building up self-confidence.

10. Self-Employed Women’s Association (SEWA)

SEWA is a trade union registered in 1972. It is an organisation of poor self-employed women workers. SEWA’s main goals are to organize women workers to obtain full employment and self-reliance.

11. Women Entrepreneurship of Maharashtra (WIMA)

It was set up in 1985 with its head office in Pune to provide a forum for members and to help them sell their products. It also provides training to its members. It has established industrial estates in New Mumbai and Hadapsar.
12. Self- Help Group (SHG)

An association of women, constituted mainly for the purpose of uplifting the women belonging to the Below Poverty Line (BPL) categories to the Above Poverty Line (APL) category. The major activities of the group are income generation programmes, informal banking, credit, unions, health, nutritional programmes, etc.

13. The National Resource Centre for Women (NRCW)

An autonomous body set up to orient and sensitize policy planners towards women’s issues, facilitating leadership training and creating a national data base in the field of women’s development.

14. Development Cells (WDC)

In order to streamline gender development in banking and to have focused attention on coverage of women by banks, NABARD has been supporting setting up of Women Development Cells (WDCs) in Regional Rural Banks and Cooperative Banks.

2.9 Institutional Financing for Women Entrepreneurship in India:

The past several years, financial institutions have been playing a pivotal role in giving financial assistance and consultancy services to women entrepreneurs. These institutions include:
Women Entrepreneurship though it is an important element of economic development of the country, the segment of the economy was slightly neglected though efforts have been made by the government to bring it into the limelight. In India some earlier studies have revealed the need and importance of women enterprises, yet recommendations made by such studies have not been implemented to a greater percentage yet, efforts are going on every where to ignite engine of progress.