

A Conceptual Framework on Role of Women Entrepreneurs in Development of Indian Economy

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Abstract: “Woman is the companion of man, gifted with equal mental capacity. If by strength is meant moral power, then women is immeasurable man’s superior. If non-violence is the law of our being, the future is with women” – Mahatma Gandhiji. Women constitute half of the Indian population. Indian women made themselves free from clutches of the society where women were treated only as a show piece and confined to four walls of life. Today women scenario has changed from four walls to entrepreneurship due to Economic Liberalization, Globalization and Privatization. Women entered the corporate world not only as a job seeker but also a job giver. So, in this paper an attempt is made to understand role of women entrepreneurs in development of Indian Economy.

Keywords: Women Entrepreneurs, Role of Women Entrepreneur.

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I. Introduction

Today entrepreneurship is not a male prerogative in India. It’s evidence that women entrepreneurship is a movement in last few decades in India. Increase in the number of women owned businesses and their substantial contribution boosts the Indian economy. Foreign direct investment, technological advancement and innovation and sophisticated communication brought a wide range of economic and social opportunities for women entrepreneurs in India. Women led social enterprises work on empowering women and solving women specific issues in India as compared to male led social enterprises. An Indian women entrepreneur contributes not only to GDP but also to societal challenges. Nowadays women creates job for themselves and for others and also provides to society with different solution to management, organization and business problems. However, number of women entrepreneurs is still relatively low in India. In India women entrepreneurs owned and managed micro enterprises. As per World Economic Forum report, 27 percent women receives secondary education, 12.2 percent seats held by women in India, 80 percent of women need permission to visit health care centers. 8 percent of tech entrepreneurs are started by women. Women entrepreneurs are doing great nowadays with raising more startups funding than ever, it the high time for the government to go the extra mile to tap the potential resources if the double digit growth is to be achieved.

Women Entrepreneur

Kamal Singh, who is woman entrepreneur from Rajasthan, has defined woman entrepreneur as a “confident, innovative and creative woman capable of achieving self-economic independence individually or in collaboration, generates employment for others through initiating, establishing and running the enterprise by keeping pace with her personal, family and social life”.

Government of India has defined women entrepreneurs based on women participation in equity and employment of a business enterprise. Accordingly Government of India (GOI2006) has defined women entrepreneur as “an enterprise owned and controlled by a women having a minimum financial interest of 51 percent of the capital and giving 51 percent of the employment generated in the enterprise to women”.

Objectives

1. To study the role of women entrepreneurs in development of economy.
2. Factors motivating to become an entrepreneur.
3. Contribution made by women entrepreneurs to Indian Economy.
4. Challenges face by women entrepreneurs in India.
5. To offer suggestions.

II. Methodology

This study is purely based on secondary data collected from published journals, magazines, newspapers, reports, websites and books.

Top motivational factors that drive women to become Entrepreneur :

Entrepreneurship is a tough game and is certainly not meant for those who cannot withstand difficult times. All women have a different prospective journey while take entrepreneurship as career and start their journey. Women who choose to build their career as an entrepreneur motivated by financial and non-financial factors, specifically:

- Desire to build the wealth
- Wish to capitalize on business ideas they had
- A long standing desire to own their company
- Working for someone else did not appeal to them
- The appeal of start up the culture

Role and Contributions of Women Entrepreneurs :

Women occupy a large share in informal economy and also in small and medium size industrial sector in India. The acceleration of economic growth requires participation of more number of women in entrepreneurial activities. Women entrepreneurs are in accelerating economic growth of India. Experts say that 40 to 50 percent of all small businesses are run by women in developing countries especially in India. Research shows rise in the share of women workforce since from 1980's is responsible for 11 percent GDP in 2012. As per the research, few women took entrepreneurship; they are potential contributors in job creation, innovation and economic growth. Women as an entrepreneur creates job for themselves and for others thereby them providing solution to management, organization and societal problems. As women are receiving education, they face unemployment problem. So they took self employment for generating income to meet their family ties. Women entrepreneurship is the effective strategy to solve the problem of rural and urban poverty especially in India. Few experts felt that women entrepreneurship helps in eradication of poverty, removing regional disparities between rural and urban area and empowering women. Greater economic independence of women entrepreneurs in India promotes Indian economic stability and peace. Women have a crucial role to play in building a strong Indian Economy. According to Raman Bajaj, women entrepreneurs significantly contribute towards well being of the family. Being a woman enters into business, they create opportunities and environment for more women to get to entrepreneurship. As per 2015 Business Report women owned businesses contribute 3.09 percent of industrial output and employ over 8 million people.

Challenges faced by Women Entrepreneurs in India:

Even as India continues a rapid economic growth, still women in the country struggle against gender discrimination and inequalities. Today women face a myriad of social, economic and structural barriers which prevent them to succeeding in their pursuits. A high proportion of women entrepreneurs in developing countries operate in informal economy, which restricts the potential for their business to grow. Some of the challenges faced by women entrepreneurs in India are :

- **Lack of Finance**
Finance is the life blood of the organization whether a big or small. However women entrepreneurs suffer from shortage of finance on two counts. Banks consider women are less credit worthy and discourage women borrowers on belief that they can at any time leave their business. Women have difficulty to access required loans from financial institutions that need to develop their business due to lack of collateral securities. According to Tory Burch, chief executive and designer, women face particular hurdles, from lack of collateral to discriminatory regulations and ingrained gender bias. Lack of funding is the biggest problem face by women in a man driven world. As per survey, 72 percent of women entrepreneurs still face lack of access capital challenge.
- **Lack of Training**
Usually women in India face lack of access to training and access to business development services that would help them to expand the business. Large number of women is no proper and sufficient professional and technical training to set up new venture (Vijaykumar A. and Jayachitra S).
- **Lack of Education**
Due to low rate of literacy and a gap in financing for women entrepreneurs are operating beyond the micro level. Various studies prove that lack of education resulted in low achievement motivation among women in India.
- **Lack of Network**
Women entrepreneurs have lack of accessing effective networks that can support learning and leveraging of resources, such as knowledge, business advice and mentorship.
- **Lack of support**
Women lack the support from their peers and communities to pursue their entrepreneurial pursuits.

- **Credibility :**
Being a woman itself poses various problems to women entrepreneurs in India. Indian woman pertain to her responsibility towards family, society and line of work.
- **Hiring :**
When woman owns a business in male dominated society, hiring and managing a male employee and being a boss can be struggle. Woman had work harder to gain the respect with her colleagues and employees. Indian women entrepreneurs worry about hiring employees.
- **Partnership :**
When working on partnership with other companies, woman faces extreme sexism.
- **Male dominated society :**
One of the problem faced by women as an entrepreneur is for getting equal treatment in the society. Constitution of India speaks equality between sexes. In practice, women are looked around as weak in all aspects. Their entry to business requires the approval of the head of the family. Male member think it a big risk financing the venture run by women in turn, serves as a barrier to women entry into business (Rajni and Mehta S, 2014).
- **Scarcity of raw material :**
Most of the women owned businesses plagued by scarcity of raw material and required inputs. The failure of many women owned co-operatives in 1971 engaged in basket making struggle to get raw material to make basket (Gupta and Srinivasa, 2009).
- **Cut-throat competition :**
Women entrepreneurs face cut-throat competition not only from male owned enterprises but also from MNC's. Surviving this cut-throat competition and achieving the aim of producing good quality product at competitive price is not an easy task for female entrepreneurs in India (Sweety Gupta and Aanchal Aggarwal, 2015). Women entrepreneurs do not have enough organization setup to pump in a lot of money for canvassing and advertisement. Thus they face stiff competition while marketing their products (Ranbir Singh, 2012).

Women and Future Prospects:

Indian women entrepreneurs see the world through a different lens and they do thing in different manner. Economic activities made by women boost the economy. Here are a several reasons why women entrepreneurs have fantastic future in India as an entrepreneur in upcoming years.

- Women are better connectors and possess proficiency in networking.
- Multitasking has been in their blood since ages.
- They build businesses that deliver value for multiple stakeholders.
- Women think success comes from hard work rather than good luck.
- Women share the credit. They built the companies where employee feel valued for their contribution and input.
- Women know the articulate methodologies to balance profession and their personal life.

Suggestions:

- Simplify the external entrepreneurial eco-system by enabling easy access to credit facilities such as collateral free loans by banks and Financial Institutions.
- Amplify skill development and capacity building process for soft skills, technology and management skills.
- Amplify mentoring and market linkage to support women entrepreneurs through network.
- Amplify the women's support system like family support.

III. Conclusion

Golden age of women entrepreneurs began. So, Women entrepreneurs are able to transform families and society, besides make contribution to business development. Increasing number of women entrepreneurs is indication of solving economic problems. Indian women entrepreneurs face number of challenges such as lack of finance, hiring, lack of education; lack of network etc. Government as to take initiative to provide interest free loan, conduct skill development programmes to educate women entrepreneurs about business strategies.

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