

# GOLDEN RESEARCH THOUGHTS

## WOMEN DEVELOPMENT THROUGH ENTREPRENEURSHIP IN INDIA: AN ANALYSIS



**TAYAPPA S**

Dept. of Women's Studies, Gulbarga University, Gulbarga-06  
Karnataka

**ABSTRACT:-**

Role of entrepreneurship has been highlighted significantly in the development literature. Entrepreneurship plays an important role in the economic development of a developing economy. In the Indian context also role of entrepreneurship has been very crucial. More than 90% of India's workforce is engaged in the unorganized sector and women workers constitute a significant component of the unorganized sector. Large number of women workers in the unorganized sector are self employed workers engaged in the diverse kinds of entrepreneurial activities. Various studies have been conducted on the women entrepreneurs focusing on aspects such as the factors influencing their decision to enter into any business on their own, support structure, fields in which they are engaged, the problems faced by them, the types of policy intervention needed and so on. It has been observed that women in the unorganized sector undertake entrepreneurial activities primarily as a source of livelihood and as means to contribute to the meager

household income. The paper analysis Definitions, Importance of women entrepreneurs and economic development of India.

### **Introduction:**

Women's emancipation and their participation in productive activities in economy plays important role in determining the level of development. It has been six decades since the process of the planned economic development of the Indian economy was set in motion. Over the years significant progress has been achieved by India. Despite numerous achievements there are glaring problems that have continued throughout this period viz. poverty and unemployment. In addition to these major problems there are other persisting problems as well such as imbalanced development, low levels of literacy and skill development, indebtedness, housing etc. In short the development experience of India has been a mix bag of opportunities as well as various kinds of neglects and deprivation. Women are the worst sufferers in this scenario.

One of the catalytic forces fostering initiative, promoting and maintaining economic activities and distribution of wealth is „Entrepreneurship“. No country yet has achieved prosperity without entrepreneurship (G.S. Sudha 2007). The economic development of a nation is sparked largely by its enterprising spirit. For effective economic development, new business in low-income areas must be started through local initiatives. Thus entrepreneurship is crucial for maintenance of healthy economy. The researchers have suggested that presence of small scale, locally controlled enterprises can help to determine whether communities prosper or decline (D.S. Khari 2009). Entrepreneurs have potential of utilizing resources and creating employment opportunities. They are key persons of any country for promoting economic growth and technological change. They act as an engine of economic growth, job creation and prosperity of the society. Hence developing entrepreneurship in the country can help in solving the problems of regional imbalance, unemployment and optimum allocation of resources (B.L Gupta, Anil Kumar 2009). The key factors in determining the success of development is the position of women in the society. The socioeconomic development of a nation cannot be fully realised as long as its women are confined to a subordinate position and their talents are unexplored.

An important component of women empowerment is economic independence. Economic empowerment of women is possible through three dimensions viz. attainment of income security, ownership of productive assets and entrepreneurship skill. The government provides many incentives and support facilities for the promotion of entrepreneurs in India. The most significant aspect of women's participation in entrepreneurship process is that it will connect them in the development process of the economy (M.R. Biju 2006). The non-governmental organisations also have an important role in stimulating and nurturing the entrepreneurship amongst women (Vasant Desai 2005).

Entrepreneurship enhances women's social and economic standing. The development of women entrepreneurship has also become an important aspect of our plan priorities. Several policies and programmes are being implemented for development of women entrepreneurship in India. Despite of large number of schemes and programmes being in vogue in several states of our country, the women entrepreneurs are still experiencing a plethora of problems which are indeed highly vexatious.

The unorganised sector should be the primary focus of the planners and policy makers because of the magnitude of this sector and its contribution to employment as well as production. Recently the focus of women in development has changed from being

passive recipients of development programmes to being active participants or agents in development programmes. Though women's role in economic development has been highlighted in literature, the focus is more on women workers. Women's role as entrepreneurs is also very important and needs to be focused more. As Pt. Jawahar Lal Nehru said that "when a woman moves forward, the family moves, the village moves and the nation moves.

Women in India are in a vulnerable situation. Large numbers of women in rural as well as urban areas have engaged themselves in self-employed activities of unorganised sector either as home workers or in any other micro entrepreneurial activity to support the income of their families. Many of them are engaged in tiny enterprises. The unorganised sector has increased tremendously over the years and has been absorbing excess labour force. Low wages and insecurity are characteristic of the unorganised sector. There is absence of proper basic facilities for their progress. Therefore the promotional measures have to be designed and implemented both from the angle of enterprises as well as women. The absences of faster diversification of activities are partly due to the lack of new economic opportunities for women. There are restrictions on the migration of women which further limit the options available to them (Das B. 2003).

#### **Definitions:**

**Entrepreneurship:** The word „entrepreneur“ is derived originally from French word “entreprendre” which means an organizer of musical or other entertainment. Oxford English Dictionary also defined the same as director or a manager of a public musical institution, one who „gets up“ entertainment, especially musical performance. (S. Kaliyamoorthy, K. Chandrasekar 2007). Richard Cantillon was the first to introduce the term „entrepreneur“. He defined an entrepreneur as “the agent who buys means of production at certain prices in order to combine them into a product that he is going to sell at prices that are uncertain at the moment at which he commits himself to his costs” (Richard Cantillon 1951). According to Schumpeter, “Entrepreneurship is based on purposeful and systematic innovation. It included not only the independent businessman but also company directors and managers who actually carry out innovative functions” (Schumpeter J. 1959). Peter Drucker, defined “an entrepreneur is the one who always searches for change, responds to it and exploits it as an opportunity. Innovation is the specific tool of entrepreneurs, the means by which they exploit changes as an opportunity for a different business or different service” (Urmila G. Gawade 2013).

#### **Unorganised sector:**

According to International Labour Organisation (ILO 1972) the characteristics of unorganised sector are „easy entry, reliance on indigenous resources, family ownership of enterprise, small scale operation, labour intensive and adapted technology, skill acquired outside the formal school system and regulated and competitive market“. According to NCEUS (2007) “The unorganised/informal sector consists of all unincorporated private enterprises owned by individuals or households engaged in the sale and production of goods and services operated on a proprietary or partnership basis and with less than ten total workers”. Indrajit Bairagya (2010) unorganised sector is also divided into two broad categories: traditional household based informal sector and modern informal sector. Traditional informal sector is characterized as very small size, low capitalization, low labour productivity, static technology and household based production unit. Modern informal

sector is characterized as larger in size, capital intensive and more dynamic in technology.

**Unorganised sector worker:**

“Unorganised workers consist of those working in the unorganised enterprises or households, excluding regular workers with social security benefits, and the workers in the formal sector without any employment/social security benefits provided by the employers”. (NCEUS, 2007).

**Home-based worker:**

“home-based worker” means a person engaged in the production of goods or services for an employer in his or her home or other premises of his or her choice other than the workplace of the employer, for remuneration, irrespective of whether or not the employer provides the equipment, materials or other inputs (NCEUS 2007).

**Self-employed worker:**

“self-employed worker” means any person who is not employed by an employer, but engages himself or herself in any occupation in the unorganised sector subject to a monthly earning of an amount as may be notified by the Central Government or the State Government from time to time or holds cultivable land subject to such ceiling as may be notified by the State Government (NCEUS, 2007).

**Micro enterprises:**

A micro-enterprise is a type of small business. A micro-enterprise is defined as a business having 5 or fewer employees and a seed capital of not more than \$35,000. Typically, micro-enterprises have no access to the commercial banking sector. Microfinance institutions have become common sources of funding for micro-enterprises, particularly in the Third World. Persons who found a micro-enterprise are usually referred to as entrepreneurs.

Broadly stated, a micro-business is a business started with as little capital as possible, or less capital than would be usual for a business. More precisely, the term is often used in Australia to refer to a business with a single owner-operator, and no employees. These enterprises are of two types:

**Market-driven micro enterprise:** Market driven ones are managed and controlled by the entrepreneurs themselves.

**Non-market driven micro enterprises:** Non-Market driven micro enterprises are mainly formed by government agency or a non-governmental organization (NGO). It is started as a part of poverty alleviation (Martin Patrick, S. Muraleedharan 2007).

**Entrepreneurship and economic development of India:**

As has been mentioned earlier the major problems of Indian economy are unemployment and poverty. The importance of entrepreneurship in this country lies in the fact that an entrepreneur as a „change agent” is alone responsible for the development. India is a mixed economy where both public sectors as well as the private sector are working together. The state and private entrepreneurship co-exist and hence entrepreneurial competence makes all the difference in the process of economic growth. India has been

providing favourable climate where entrepreneurship can be nourished very well.

Entrepreneurial history of India is age old. The industrial activities began with handicrafts in the village community. Organised industrial activities were seen in selected cities. From time immortal till beginning of the 18th century, the Indian handicraft industry enjoyed worldwide reputation. During the last decade of the 18th century, the Indian handicraft industry declined mainly due to the Industrial Revolution in England. During British rule the East India Company and managerial agency methods contributed to the growth of entrepreneurship. Even during the period of Second World War business flourished in India. Entrepreneurship began to grow faster during the post-independence era. The government of India spelt out the strategy for the rapid industrialisation of the country through various industrial policy resolutions. The planners recognised the responsibility of the state to promote, assist and develop industries in national interest. They also acknowledged the vital role of the private sector in accelerating industrial development. The Government decided to encourage the development of Small-Scale Industries (SSI). It offered various incentives, concessions and subsidies to SSIs in the form of capital, technical know-how, market and land to establish industries particularly in the backward regions of the country. (Mascarenhas Romeo 2005).

Entrepreneurs in India have altered the direction of national economies, industries and markets. They have invented new products and developed the organisations and means of production to bring them to market. They have introduced innovations in technology and forced the reallocation of resources away from existing uses to new and more productive uses. Many innovations have changed our pattern of living and many services have been introduced to alter or create new service industries. These include commercial banking, insurance, credit system, telecommunications, entertainment, office information systems, food distribution, medical treatment and many more. The new generation of entrepreneurs are well educated, experienced and inspired and independent thinkers who can transform society through innovation. In India the existing Government support system includes a number of entrepreneurship promotional measures in terms of reservation of items for SSIs, reservation of items for government purchases, price preference, priority for utility services, financial incentives, financial support systems, providing infrastructural facilities, marketing services, training, information dissemination, monitoring of the system etc. Especially during last two decades while rapid technological progress has made the production process more knowledge and capital intensive across a wide range of industries it has limited the creation of new employment opportunities particularly for the skilled work forces. Firms had followed the policies of downsizing their existing work force. The world of technology is changing so fast and accordingly the workers are finding it extremely difficult to keep pace with the requirement of adapting to new technology. Still the dominating option for the large majority especially to women is the unorganised sector. The opportunities for wage workers also not being high the option of some kind of self employment becomes crucial. In fact promotion to self employment or to entrepreneurial development within the unorganised sector should receive its due priority in the policy formulation.

There is no denying of the fact that development of entrepreneurship in India has emerged as national movement due to its strength to solve the twin problems of unemployment and poverty. In fact, the need for development of „spirit of enterprise“ among the target population intensified during the nineties with the failure of the “trickle down approach” to percolate the development benefits to the masses at grass-root level. It

is against this background that the several self employment and anti poverty programmes like PMRY, TRYSEM etc. involving some entrepreneurial initiatives were introduced by the government as a tool of bottom-up mode of development (Khanka S.S. 2007).

India needs broad based entrepreneurial activities to speed up the process of activating the factors of production leading to a higher rate of economic growth, dispersal of economic activities, development of backward areas, creation of employment opportunities and improvement in the standard of living of the weaker sections of society and especially that of women.

### **Importance of women entrepreneurs in the development of India:**

The number of self-employed women increased in developed countries after Second World War. In India participation of women as industrial entrepreneurs is comparatively a recent phenomenon commencing from 1970s onwards. The majority of women are concentrated in low-paid, low skilled, low technology and low-productivity jobs in rural as well as urban unorganised sector. They have long stories to share of trials and hardships; their task has been full of challenges. They have even encountered public discrimination and criticism. Family opposition and social constraints had to be overcome before establishing themselves as independent entrepreneurs (Vidya Hattangadi 2007).

There is considerable entrepreneurial talent among women. Women's domestic skills such as people and time management and household budgeting are directly transferable in business context. Women have ability to balance different tasks and priorities, to find satisfaction and success in building relationships with customers and employees and have control of their own destiny and doing something that they consider worthwhile. They have potential and will to establish and manage enterprises of their own. These qualities and strengths of women are to be tapped for productive channels.

Creation and development of small business among women is a difficult task. Even though women's contribution to business is one of the major components of 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 very important precondition for the advancement not only of women but the country as a whole.

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 (Vasanthagopal R. & Santha S. 2008). It has also been realised 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 enterprise building has emerged as an agenda for policy makers, researchers and trainers 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. Despite several developmental measures and constitutional guarantees, women are still lagging behind in almost all sectors.

Thus women entrepreneurs are not only generating employment for themselves in the

unorganised sector, they are also providing employment for others. Due recognition has to be given to the role and contribution of women in the various social, economic, political and cultural activities.

### **Conclusion:**

Full and balanced development of the nation and establishment of a just society is possible only when women are provided equal position. But the harsh reality is that even in 21st century women experience low status compared to men and are treated less equal to them. The socioeconomic development of a nation cannot be fully realised as long as its women are confined to a subordinate position and their talents are unexplored.

Thus entrepreneurship among women is certainly an important source of improving their economic conditions, social status as well as their status within households. Decision to be an entrepreneur is largely governed by socio-economic conditions of the women. Women largely belonging to lower income or middle income group of Vasai Taluka were found in micro business of unorganised sector. This sector provided them easy entry and they could start with low investment. The nature and types of businesses in selected areas were very diverse. There was a mix of traditional and modern business.

These businesses operate under condition of extreme shortage of all types of resources and are outside the ambit of social security. The amounts of investment were low which restrict their business to small size. It forced them to use traditional tools and rely on cheap raw material. Lack of skill and professional in business affect their income. They face innumerable problems in business. The production level was low and so the income level was low but there was great potential of growth in some business. Despite of problems many women had made remarkable progress. They had provided much needed support to the financial status of the family.

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