

## TOWARDS EMPOWERING WOMEN THROUGH ENTREPRENEURSHIP

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The UN Conference on Women, held in Beijing in 1995, placed considerable emphasis on practical actions which could contribute to the economic empowerment of women. In addition, the Women Entrepreneurs' Summit hosted by the Organization for Economic Cooperation and Development (OECD), which was held in Paris in 1997, brought together a large number of women entrepreneurs from around the world. Together they have drawn attention to the potential and opportunities, as well as the barriers and constraints, relating to women's entrepreneurship development. In India, the year for the empowerment of women, 2001 saw some programmes for developing women entrepreneurship being launched. Women empowerment is essential for development of full potential of our total human resources. If half of our population remains weak and dependent, development of the nation would only be half-hearted. The constitution guaranteed formal equality and radical social reforms through legislations. But enactment of laws have not changed attitudes much and also implementation of these laws has not been up to the expected levels due to social mindsets prevailing. Ironically, these advances in social legislation have engendered an attitude of complacency whilst views and attitudinal changes have not moved much. Empowerment of women is a pressing need of the day.

**Empowerment Defined**—Empowerment is about people—both women and men—taking control over their lives. It is not only a process

but also an outcome. It involves becoming conscious of own situation and position, setting own agendas, creating space for self, gaining skills, building self confidence, solving problems and developing self reliance. It is not only a social and political process but an individual one as well. Outsiders cannot empower women, only women can empower themselves to make choices or to speak out on their own behalf. However institutions—GOs and NGOs can support processes that increase women's self confidence, develop their self-reliance and help them set their own agendas. Strategies for empowerment must be targeted at developing psychological empowerment at individual level and also creating appropriate enabling environment at societal level.

Various dimensions of empowerment include psychological, cultural, economic, political and institutional empowerment. Psychological empowerment means to establish individual identity, self-image developing capabilities and increasing self-esteem. Cultural empowerment will entail redefining gender rules and norms and recreating cultural practices in tune with gender equity. Social dimension of empowerment includes literacy, social leadership, community action and social inclusion. Political aspects include participation in Panchayati Raj Institutions, negotiating political power and then accessing it. Economic empowerment occurs when income security is attained, productive assets are owned and entrepreneurial skills possessed.

All the dimensions are very important for

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empowerment to occur in a holistic manner. Women now-a-days are relatively empowered than their predecessors. Economically independent women are common sight these days. Also they are participating in grassroots political institutions like panchayats, some are even sarpanches in their villages. Still debate is going on for reserving one-third seats in Indian Parliament for women. In economic and political aspects, some positive impact is visible but a lot needs to be done in the social and cultural dimensions so that people-both men and women-unlearn the stereotypes. Concept of women empowerment need not generate two kinds of responses either to laugh it away by equating it with extreme feminism or to look at it suspiciously with disclaim as something which is anti-men.

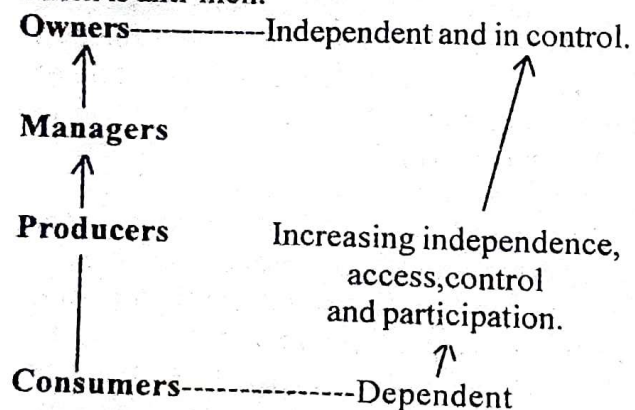


Fig. Empowering through Entrepreneurship

**Empowerment through Entrepreneurship**—Economic independence brings changes in motivation levels, attitudes, values, knowledge and skills of women which in turn gets translated into confident empowered women. Empowerment strategies must start with enterprise building among women and developing entrepreneurial skills. It has been reported by many research studies that entrepreneurs are not born but can be developed. Through proper training modules and interventions, women entrepreneurs can be developed. This type of independence will bring about a shift in the status of women in society. From non-working, dependent

consumer status, they move on to become producers, managers and owners of enterprises. Women entrepreneurship process builds confident empowered women.

#### Statistics on Women Entrepreneurs—

Right at the start, even industrial countries, with their penchant for creating databases, are up against inadequate statistical information, and have to make do with ad hoc surveys, and the reports of census operations. From available figures, it is seen that in the US, in the ten years 1987-96, the number of women-owned businesses grew by 78 per cent and women started businesses at twice the rate of men. In Japan, women as percentage of total entrepreneurs doubled from a mere 2.4 in 1980 to 5.2 in 1995 and should be much higher now. In Latin America, the female segment constitutes nearly half of micro/small businesses. In India, according to the 1991 census, women entrepreneurs account for 10 per cent of all companies, and one estimate for 2000 puts it at as much as 20 per cent. It is evident that this percentage is growing every year.

#### Women Entrepreneurs in Selected States

Name of the state	Women entrepreneurs as % of total Entrepreneurs in the Small scale sector
Punjab	3.34
Gujarat	15.17
Maharashtra	14.27
Madhya Pradesh	6.69
Rajasthan	3.70
West Bengal	4.23
Andhra Pradesh	5.92
Uttar Pradesh	4.52
Tamil Nadu	12.97
All India	7.69

Source : Report on the second All India Census of Small Scale Industrial Units, DCSSI Government of India, New Delhi, 1992.

#### Who is a Woman Entrepreneur?—

Women entrepreneurs may be defined as the women or a group of women who initiate, organise and operate a business enterprise. Women who innovate, imitate or adopt an economic activity can be called as women



entrepreneurs. The Government of India has defined a woman enterprise 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". On this basis government offers incentives and concessions to women entrepreneurs. However women entrepreneurs severely criticise this definition which sets out a condition of employing more than 50% women workers. They point out that this is discriminatory and any enterprise set-up by women should qualify for the concessions offered to women entrepreneurs. It is only slightly more than half of women entrepreneurs who have financial interest of more than 51%. However, this analysis can be a misleading one in as much as it does not indicate organizational involvement of women entrepreneurs in their units and in spite of higher financial interest, the unit has the danger of being run as a benami unit. In the course of collecting data for a research project on Women Entrepreneurs, visits by the author to the units of women revealed three categories of such units.

- (a) Units exclusively run by women: Such units are of course in a terrible minority;
- (b) Units owned by women entrepreneurs but from management angle have an equal participation from husband, son, or nephew. Such units are in a majority;
- (c) Units owned by women entrepreneur actually run by men and the name of women entrepreneur has been used to usurp facilities and incentives due to women entrepreneurs.

In India Following Features have been found by APCTT in Respect of Women Entrepreneurship:

- 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 in the start-up stage with family problems, collateral security, professional disrespect, lack of technical training and marketing.

**What motivates Women Towards Entrepreneurship?**—Many research studies done on women entrepreneurs have found out that usually they are forced into entrepreneurship because of their circumstances and very few were here because of their own choice. Major motives for taking a decision to start their own business are as follows:

- Had to take over the business because of death of husband or father.
- Urge for using own creativity and potential
- To work for self and nobody to report to
- Conditions experienced by women in established market or dissatisfaction with the management at their former workplace as a cause of motivation.

Women rate the following as the most significant features of their entrepreneurial efforts:

Personal satisfaction

Value balanced work life for enough time for family life as well.

The reasons given by women entrepreneurs for venturing into business can be broadly classified into two: "Pull factors" and "Push factors". Pull factors imply the factors, which encourage women to have an independent occupation. Under the influence of these factors the women entrepreneurs choose a profession as a challenge and as an adventure with an urge to do something new. Push factors are those which compel women to take up business enterprises to get over financial difficulties and responsibility is thrust on them due to unfortunate family circumstances. However, the latter category forms a considerable percentage of the total women entrepreneurs in this country. But significant increase in the number of women entrepreneurs who fall in



the first category is noticeable in the last few years.

**Problems they Face**—The greatest deterrent to women entrepreneurs is that they are women. Therefore, women have a tendency to keep away from high-flying economic activities, which are supposedly regarded as the preserve of men. Even the financial institutions are skeptical of their entrepreneurial abilities to risk their funds on them. The bankers consider women loanees a high risk than men loanees. They look for men behind the women applicants. They scare the women applicants with their unwarranted inquisitiveness and questions, often insisting of stiffer security considerations. The social setting is still not conducive as the menfolk are less understanding and less co-operative to women entrepreneurs. Women in non-urban areas have to suffer still further. They have to face not only resistance from men but also of elderly women who are ingrained with this attitude of inequality. The overbearing presence of elders in rural households restrain even young men from venturing out; so one can imagine how much a young girl have to put up with if she wishes to become economically independent.

About seven problems can be mentioned as the special problems women face when they enter into entrepreneurship.

**Financial Constraints**—Like all small entrepreneurs, women entrepreneurs suffer from inadequate financial resources and working capital. They lack access to external funds due to their inability to provide tangible security. Very few women have property in their names. Male members, on whose name family properties exist, think it a big risk financing the ventures run by women. Banks have also taken a negative attitude while providing finance for women entrepreneurs. They discourage women borrowers on the belief that they can at any time leave their business and become housewives again. The

result is women entrepreneurs are forced to rely on their own savings and loans from family friends. The quantum of such funds is often negligible leading to failure of enterprises.

**Over-dependence on Intermediaries**—The enterprises run by women are characterised by inefficient arrangements for marketing and sale. The women entrepreneurs are most often dependent on intermediaries who pocket a major part of the profits. It may be possible for the women to eliminate the middlemen, but then it will necessitate a lot of running around, which may be difficult for the women entrepreneurs. Further women entrepreneurs find it difficult to capture the market and make their products popular.

**Scarcity of Raw Materials**—Shortage of raw materials and other necessary inputs have sounded the death knell of many enterprises run by women. On the one hand the prices of raw materials are very high and on the other they are able to get these raw materials at the minimum of discounts. A startling example is the failure of many women co-operative societies, which were engaged in basket making. This was mainly due to the inadequate availability of forest-based raw materials.

**Intense Competition**—Women entrepreneurs face stiff competition for their products from organised industries and male entrepreneurs. Moreover, they do not have the organisational set-up to pump in a lot of money for advertisement. They also have the mortification of being questioned about the quality of their product since women have produced it. This is despite the fact that women entrepreneurs are more sincere in maintaining the quality and time schedule.

**High Cost of Production**—Like most productive enterprises high cost of production has restricted the development of women enterprises. Some States like Kerala have programmes to assist women entrepreneurs by providing them with subsidies and tax concessions. But the concessions are available



only in the initial stage of setting up an enterprise. When it comes to expansion of productive capacity and installation of new machinery, the help is negligible, dissuading many women entrepreneurs from venturing into new areas.

**Low Mobility**—Women entrepreneurs are greatly handicapped by their inability to travel from one place to another for business reasons. At the Governmental level, the licensing authorities, labour officers, and sales tax officials make life miserable for women by often asking all sorts of humiliating questions. Most of the cases where women have dropped out of business were due to the difficulties caused to them by the officialdom, forcing them to run from pillar to post.

**Family Ties**—In a country like India family ties are very strong. Here looking after the children and other members of the family are looked upon as the duty of a woman. Married women entrepreneurs have to make a fine balance between business and home. Their success greatly depends on the support given by the family. One can see in India that behind the success of a female entrepreneur there is always the unstinted support of the family or the woman concerned is a spinster without any family responsibilities. Occupational backgrounds of families and education level of husbands have a direct bearing on the development of women entrepreneurship.

**Supporting Factors from Society**—The women do not get any support from the society for her entrepreneurial ventures. On the contrary the social customs and traditions block women to enter into entrepreneurship. Despite constitutional equality, there is widespread discrimination against women. In a male-dominated society women do not get equal treatment. This is specially so in the rural areas of India. Rural women have the potential, but they lack adequate training. There is a common belief that skill imparted to a girl is lost when she gets married. Therefore, girls

continue to be helpers in agriculture and handicrafts and the rigid social attitudes prevent them from becoming successful and independent. But many governmental and non-governmental

Programmes and schemes have turned out to be the support system for enterprising women. Various policies and programmes have been formulated, incentives and schemes introduced, and institutions established to give momentum to emergence and growth of women entrepreneurs. In 1986, a National Level Standing Committee on women entrepreneurs was constituted comprising women entrepreneurs, representatives from FICCI, FASSI and NAYE. The committee aimed at providing fiscal and financial incentives including marketing, training and publicity. Programmes like STEP, IRDP, TRYSEM, WDP, NREP, EGS, DWCR, Indira Mahila Yojana, Rashtriya Mahila Kosh, Mahila Samridhi Yojana, SEP, NRY, PMRY etc. have provided the needed impetus. Besides these, there are schemes by institutions like SIDBI, IDBI, SSI, NABARD, IFCI, NSIC, Rudseti and others. National Level Training Institutions like NIESBUD, EDII, ICECD and IARI are also engaged in promoting entrepreneurship among women. National level organisations like CWEL, FIWE, FICCI-LO, WASME and BYST are doing great service in grouping women entrepreneurs for better bargaining power. State level organisations like AWAKE, Karnataka; AWESSI, Chennai; GCCI, Gujarat; Udyogini; SAWE, Kerala; SEWA, Ahmedabad are also involved.

Thus, it is clear that increased educational opportunities for women have provided them the skills to result in economic independence. Also increasing numbers of individuals committed to equality and social justice have provided the basis for such transformation.

**Imperatives**—A lot has been done as reported above but much is still required on this front. Further work in the field indicated that



in order to promote entrepreneurship in a more pointed manner, promotional activities could be divided into three categories namely Stimulatory, Supportive and Sustaining. Stimulatory activities are those which contribute to entrepreneurial education and motivate new entrepreneurs. Supportive activities are those which result in actual assistance to a venture like availability of finance, infrastructure, common facilities, market, etc. Sustaining activities are those which help in running a unit and thereby prevent its closure. The experiences show that it is the supportive and sustaining activities as part of follow-up of motivational labs which are more important and crucial to long term success of any entrepreneurial venture. Various developmental institutions have contributed to the growth of entrepreneurship and one of the major efforts has been to tap various target groups through training programmes known as Entrepreneurship Development Programmes (EDPs). In a typical EDP, one is encouraged to select a product, implement management concepts and prepare a viable project report on the product chosen. Participants of an EDP are selected through a scientific selection and in the process of training are motivated to transform themselves as entrepreneurs. A number of institutions at national, state and even district level are involved in running various categories of programmes for promoting entrepreneurship. Entrepreneurship as such is a gender neutral process and does not differentiate men from women. Management of enterprises with more emotional intelligence is a hallmark of women owned enterprises. More of team player and taking the workers along by connecting to them at feelings level helps women to manage and run enterprises effectively. Strategies are needed at the environment level to boost micro enterprises by women. Vocational training, entrepreneurial motivation training and boost to non farm activities by women

must be encouraged. Women entrepreneurs themselves can gain considerable mutual support from grouping together into member-based associations or cooperative organizations to provide common services or facilities, or simply to interact and exchange ideas on enterprise development. In this process, women's bargaining power should increase at the micro level, and these women's organizations should develop their ability to muster support from various organizations at the meso and macro levels. Awareness and information needs of potential women entrepreneurs must be fulfilled through campaigns and media coverages. Media's proactive role will go a long way in changing the perception of society towards economically active women. Why the serials on major channels show only emotional saga where backbiting, politics playing women are the chief characters? Portrayal of women as well as programmes feeding the information needs are the issues on which our media has to focus in a right perspective with more social responsibility rather than boosting their TRPs as the market dictates.

## CONCLUSION

It is now very well recognised that social objectives of reduction of inequality, poverty and mass unemployment cannot be attained unless women are brought in the main stream of development. The micro enterprises of women are needed to be the hallmark of restructuring economy and its revitalization. Economically independent women possessing entrepreneurial skills will pave the way for development of nation. Towards empowering our women, entrepreneurship is an important way. A lot has already been started in the form of EDPs specially targeted at women and there is quite an increase in the tribe of Women Entrepreneurs in India since last three decades.