

WOMEN ENTREPRENEURSHIP IN INDIA – CHANGES AND CHALLENGES

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Abstract

Traditional cultural perception perceived the roles of women to be confined within the four walls of the house, but in modern times, with economic reforms there is a transitional trend that is observed in terms of women's participation in economic growth and women participation in business entities has been remarkable. India being termed as the second largest startup ecosystem in the world is expected to grow at around 10-12percent. It is observed that 48 percent of the country's population comprises of women, and it is impossible to think about economic growth without women as a fundamental driver. This paper therefore, emphasizes the role and challenges of women entrepreneurs, particularly in urban India. Recognition, reputation, resource regeneration are some of the advantages of women entrepreneurship besides monetary gains and financial inclusion. However any drastic changes in a cultural diverse environ like India is never easy. Perception of weakness, exploitation by middlemen etc. put barriers on the mobility and risk-taking ability of entrepreneurs in general and women in particular. Our study looks at new dimensions of entrepreneurship theoretically and empirically, the impact of changes in business environment on female entrepreneurship prospects and challenges. The paper also explores alternative policies and strategies to raise women entrepreneurs from the so called secondary status.

Keywords:

Female Entrepreneurship,

Recognition,

Resource,

Strategies,

Urban India.

1. Introduction

A major element of economic growth over the past decade has been the increasing role of women. Women empowerment has taken many forms – improved female labor force participation, reduced intolerance and wage differentials that support greater effort, and improved advancement practices that uphold talented women into headship and executive roles.

It is found that the percentage of U.S. adults preferring a male boss is now 23 percent, 10 percentage points lower than the last reading in 2014 and 43 points lower than the initial 1953 reading. India being an emerging market economy has a huge potential to grow, as it has developed its vibrant entrepreneurial landscape, aided by government measures and private initiatives.

According to the 2012 World Development Report, empowering half of the possible

workforce has noteworthy economic benefits beyond promoting just gender parity. In India, it has been pragmatic that reservations for females in the political field such as panchayats – rural local self-government – have progressed a long way in demanding political participation for women. However, with respect to Economic Participation, gender disparities remain deeply deep-rooted. India ranked 123rd out of 135 countries on economic participation and opportunity according to the 2012 World Economic Forum’s Gender Gap Index. Figure 1 represents data from the Global Gender Gap Report (Hausmann, Tyson, & Zahidi 2011) which shows that India scores average on the gender gap index overall (horizontal despite rapid economic growth), gender disparities in women’s economic participation have remained deep and persistent in the country.

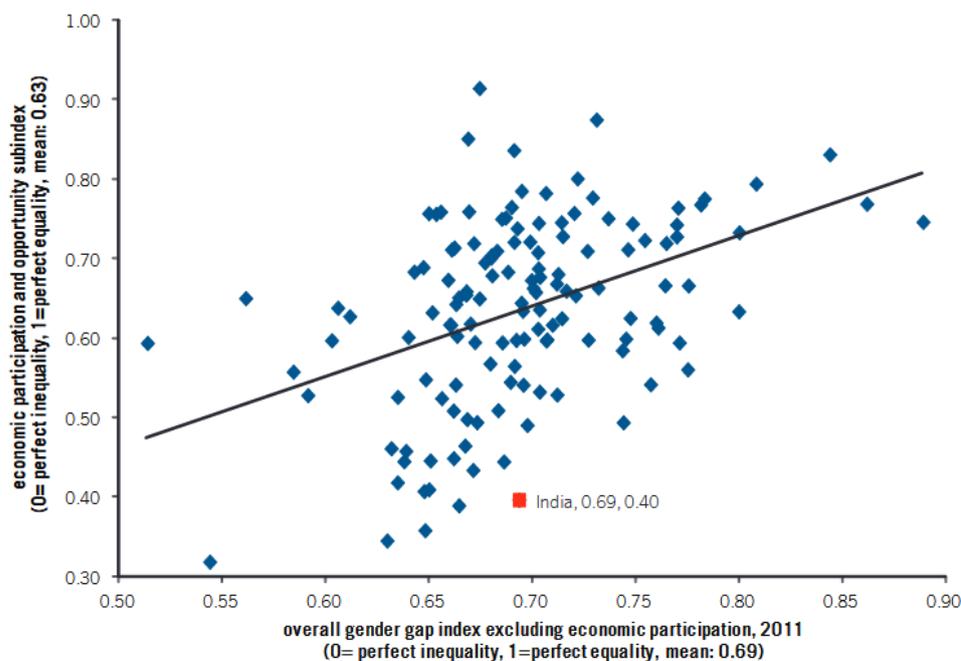


Fig 1: Women’s Economic Participation: Opportunity and Overall Gender Gap Index, 2011

Source: Hausmann, Tyson, & Zahidi, 2011.

2. Objectives

Our study has the following objectives:

- 1) to analyze new dimensions of entrepreneurship theoretically and empirically; and
- 2) to examine prospects and challenges for strategic entrepreneurship in urban India.

3. Research Methodology

In order to examine the objectives, secondary data was collected from various reputed publications. The data was gathered from Female Entrepreneurship Index 2015, Global Entrepreneurship Monitor 2017-18, and the Ministry of Statistics and Programme implementation, Government of India. The data is analyzed in the form of graphs, tables. The data is also analyzed by employing

statistical tools such as t-test of mean, and regression analysis.

It is important to yardstick female participation in firm possession, management. Figure 2 provides insights about female entrepreneurship and economic partaking in the labor force. The five parameters compute female contribution in businesses in 139 countries. The outcomes are based on surveys of more than 135,000 firms. With the objective analyzing, fig 2 examines female participation in firm ownership at the global regional level, i.e. south Asia.

It adds insights of female participation in firms ownership with respect to five parameters 1) Percentage of firms with female participation. 2) Percentage of firms with majority female ownership, 3) percentage of firms with female top managers 4) Proportion of permanent full time production workers that are female 5) Proportion of permanent full time non-production workers that are female.

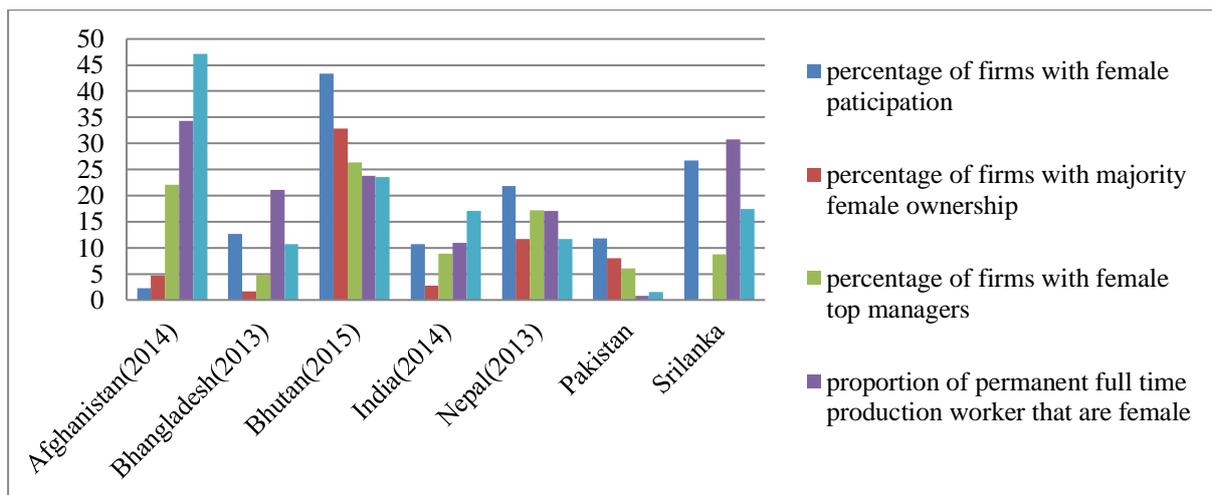


Fig 2: Female participation in firms' ownership

As Figure 2 reveals the proportion of full time non-production and full time production

workers that are female is highest in Afghanistan. However, highest percentage of

firms with female participation, and percentage of firms with female top managers is Bhutan. India as compared to other economies in South Asia appears to have a lower hand in all 5 parameters of female participation in firm's ownership.

4. Importance of the Study

The nexus between successful entrepreneurship and sustainable development of women is at the core of this essay. By undertaking this research we can discover the challenges and opportunities that on the one hand relates to a much broader vision of liberation and feminism globally and on the other, creates a local defense mechanism in the form of entrepreneurial activity. Entrepreneurship development helps educated and uneducated, urban and rural women in acquiring skills for both wage and self-employment; expertise and knowledge-building exercises for themselves and for other women by inspiration and motivation. Entrepreneurship, in short ensures inclusive growth through wealth-creation and employment generation and human development. Progressive steps, with sincere efforts and focused attention by women will help them cross from just feminine entrepreneurs to successful entrepreneurs. We admit that "women hold up half the world"; they are able to deal with the details of business but many things around them crush their ambitions, derail their dreams and prevents their true-value competition and contributions. Change and accommodation can keep them innovative. We must dig out the

hidden as well as surfaced asymmetries as well as the diverse avenues that make the integrated environment for women even as we try to understand the elements of their entrepreneurial identity, ability and flexibility (Hans, 2017). However, one of the limitations of the present research is that we have not substantiated it with primary data at this juncture. Another is that we have not tried to examine various models of female entrepreneurship.

5. Literature Survey

The flow of research in recent years, regarding diverse aspects of entrepreneurship has developed into a genuine flood. Good number of previous studies (Rietz & Henrekson, 2000) – based on conventional indices such as employment, profitability, value added, and growth of sales – tells us that female entrepreneurs underperform comparative to their male counterparts. But this needs more thorough examination and evaluation.

Narasimha Murthy (2009) provides two reasons for the need to examine women entrepreneurship per se. One, women's entrepreneurship is an important unexploited source of economic growth. Two, women entrepreneurs generate new jobs for themselves and for others.

Schumpeter (1930s) and then Peter Drucker (1980s) are very recognized specialists who discussed and analyzed the elevated association between innovation and entrepreneurship. Modern entrepreneurship emphasizes an undeniable and strong relation between entrepreneurship and innovation.

Entrepreneurship is seen as a critical link between new knowledge and economic development as it facilitates the transfer of knowledge. These factors distinguish entrepreneurship from more simple forms of management and ordinary business activities (TANTAU, n.d.). The impact of knowledge could be seen in wisdom.

Many studies show that higher education (including self-learning and love of wisdom) and training are strong dimensions or impact factors for women's capacities, possibilities and action. The construction of knowledge is what makes the difference between gender (García-Palma & Sánchez-Mora Molina, 2016).

Forbes gives seven proportions of modern entrepreneurship as Authenticity, Empathy, Human Interaction, Hunger, Quantifiable Goals, Data Analysis, and Personal Brand (Young Entrepreneur Council, 2017). According to Mohd Shuaib Siddiqui, Aftab Alam, and Mairaj Salim (2018), "Entrepreneurship plays an renowned function in creating an opportunity for employability for rural communities, providing self-employment for those who have initiated a business of their own and enhancing the economic position of the rural sector as well. Entrepreneurship has transformed many entrepreneurs into successful business persons and generated income for rural communities. Entrepreneurs in rural areas have transformed their neighborhood into trading hubs thus enabling them to turn into urbanized areas. Through efficient and effective utilization of national resources, they act as catalysts for

economic development and agents of social transformation and change."

Arguably understanding the role of entrepreneurship, developing countries like India have left no stone unturned to develop rural entrepreneurship, social entrepreneurship as well as female entrepreneurship. India with more than 50 per cent of population as women can hardly ignore this.

Several studies in India show that even with much liberalization and incentives women seem confined to family-owned businesses. Government sponsored development activities have benefited only a small section of women, namely the urban middle class. The attitude of women entrepreneurs need to be reoriented towards the promotion of leadership qualities. The government has to take efforts to provide market assistance, provision of land, create awareness of its schemes and assistance to women entrepreneurs (Amlathe & Mehrotra, 2017).

Women have a desire to succeed, which is the awakening of their dormant individuality. They know how to do hard work in a smart way that will reduce the burden of doing additional work (Fernandes, Crasta, and Hans, n.d.). This will work positively for female entrepreneurship.

Using the power to empower, women entrepreneurship can be developed. Women entrepreneurship in India is still at a nascent stage. Women are often heavily discriminated against but at the same time, changes in the global and domestic environment have contributed towards the growth of women entrepreneurship in India (Kavitha & Hans,

2018). Women are successfully crossing the hurdles; they are becoming their own bosses. Leadership development is one of the key takeaways here.

From the survey of literature the predominant notions that emerge are career, equity and justice besides participative development. Thus the research gap identified is how to develop women entrepreneurship in a way that is neither secondary nor subordinate to male entrepreneurship

6. Analysis and Results

6.1 Growth of proprietary establishment by females in India

India a country rich in customs and traditions, offers opportunities to those that seek to find the hidden treasure. With the upliftment of women and elimination of various social barriers, India does seem to have a progressing and promising trend. With various government initiatives, the role of women has now been increasing.

Figure 3 depicts proprietary establishment by females in India. The data highlights the scenario in urban and rural setup with respect to proprietary establishment by females.

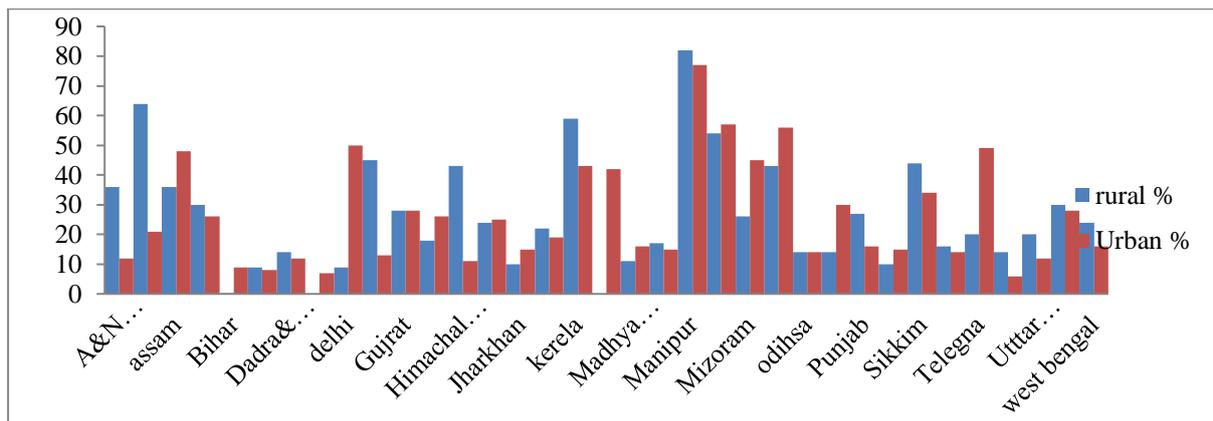


Fig 3: Proprietary establishment by females
Source: 6thEconomic Census (2013-14), Ministry of Statistics & Programme Implementation, GoI.

In Figure 3 it can be observed that in case of proprietary establishment by females in rural and urban India the highest growth as observed is in the state of Manipur and the lowest is in the state Bihar. In order to understand the mean difference in women entrepreneurial activity a t-test was conducted to examine the difference. The following are the results:

Null hypothesis: there is no significant difference in the means of rural and urban proprietary establishment.

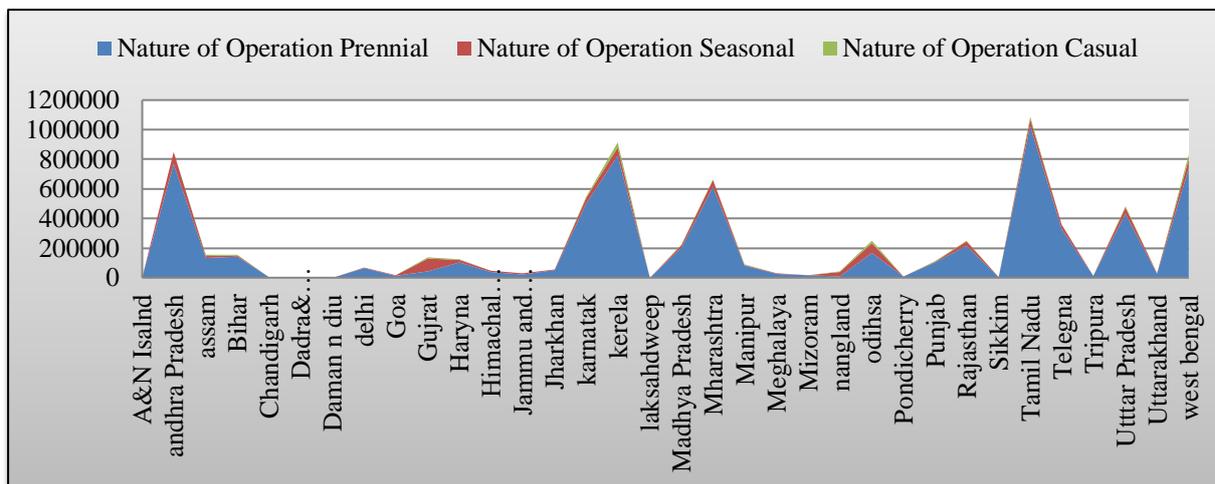
Alternative: There is a significant difference between the means of rural and urban proprietary establishment.

	<i>rural</i>	<i>urban</i>
Mean	26.85294	26.64706
Variance	348.8565	306.7807
Observations	34	34
Pooled Variance	327.8186	
Hypothesized Mean Difference	0	
df	66	
t Stat	0.046884	
P(T<=t) one-tail	0.481374	
t Critical one-tail	1.668271	
P(T<=t) two-tail	0.962747	
t Critical two-tail	1.996564	

It is observed that the mean value of rural propriety establishment is 26.85 and urban is 26.64. The t stats value =0.0468 and t-critical value two tail is 1.99. So, we accept the null hypothesis i.e. there is no significant difference in proprietary ownership by female in rural and urban setup of India.

6.2 Nature of establishment by women entrepreneurs

Propriety establishment can be classified in three areas, i.e. Perennial, Seasonal and Casual. Perennial establishment refers to a business establishment lasting for a longer period of time. Seasonal Establishment refers to business establishment with respect to seasonal demand. Casual Establishment refers to general business groups that allow many people from various overlapping professions. Such a nature of operation is analyzed through Figure 4.



4: Nature of operation of establishments

Source: 6th Economic Census (2013-14), Ministry of Statistics & Programme Implementation, GoI

As can be seen from the above figure, it is surprising to see that in almost all the states the nature of operation is largely Perennial,

indicating that women have invested their capital and time into business which can acquire long-term benefits and experience

economies of scale and scope too. It is a positive sign that majority of women entrepreneurs have business that can create further expansion which can thus create more

spillover effects. For instance they can migrate/diversify from agriculture to non-agricultural operations (see Figure 5).

Establishments and employment in agricultural and non-agricultural proprietary establishments by females

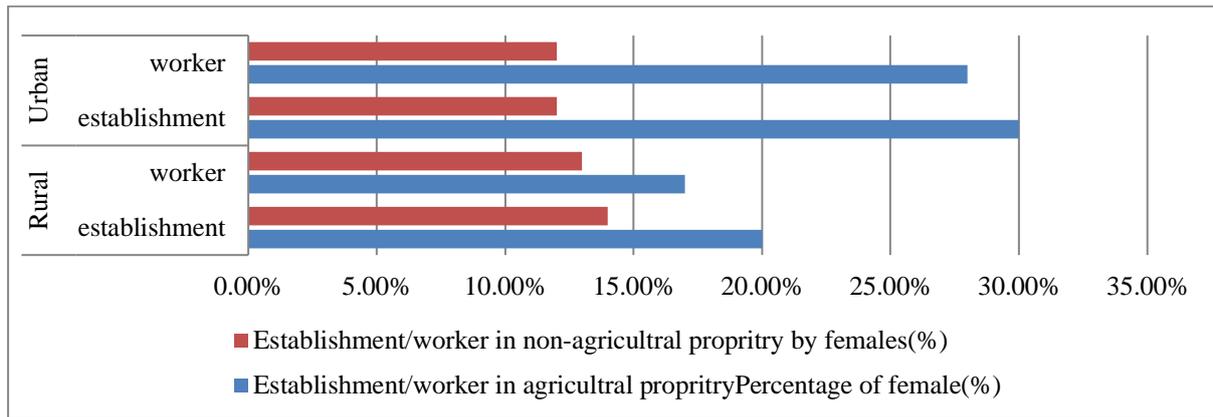


Fig. 5: Agriculture vs. Non-agriculture

Source: 6th Economic Census (2013-14), Ministry of Statistics & Programme Implementation, GoI.

As can be observed in Figure 5 in urban and rural setup the establishment of agricultural and nonagricultural proprietary establishment is higher, however in urban it is less. The probable reasons could be, in urban areas, majority of the women are engaged into service sector and no in the production side. This explains a disparity in terms of proprietary establishment in agricultural as well as nonagricultural establishment in urban and rural India.

1.1 Perception of societal values regarding entrepreneurship (gender-wise comparison)

The entrepreneurial potential was largely calculated by the Global Entrepreneurship Monitor (GEM) study, by taking into account

the self-perception about entrepreneurship. It considered perceived opportunity to start a business, perceived capabilities to start a business, fear of failure and entrepreneurial intention. The GEM identifies those who recognize good opportunities for venturing into a trade, as well as those who regard as they have the needed skills, as potential entrepreneurs in the civilization. Opportunities absorb a noteworthy position in determining whether an individual will even regard as starting a business or not.

Prospective entrepreneurs visualize advanced opportunities for opening a business and believe they have the basic skills, knowledge and experience to establish a business. Nevertheless, perceiving a good opportunity and having the skills to pursue it, will not

necessarily direct to the aim of starting a business. Individuals will analysis the opportunity costs, risks and rewards of opening a business vs. other employment preferences and options, if available. The GEM defines entrepreneurial intention as the percentage of the 18–64 –year old population (individuals already engaged in any stage of entrepreneurial activity excluded) who are latent entrepreneurs and aim to set up a business within the next 3 years.

Furthermore, in addition to business environment, perception also matters. Figure 6 illustrates the perception of societal values regarding entrepreneurship (gender wise) with respect to three parameters viz. 1) Entrepreneurship as a good career choice, 2) High status of successful entrepreneurs, and 3) Media attention to entrepreneurship. As can be observed males have an upper share in societal values concerning entrepreneurship values in all 3 parameters.

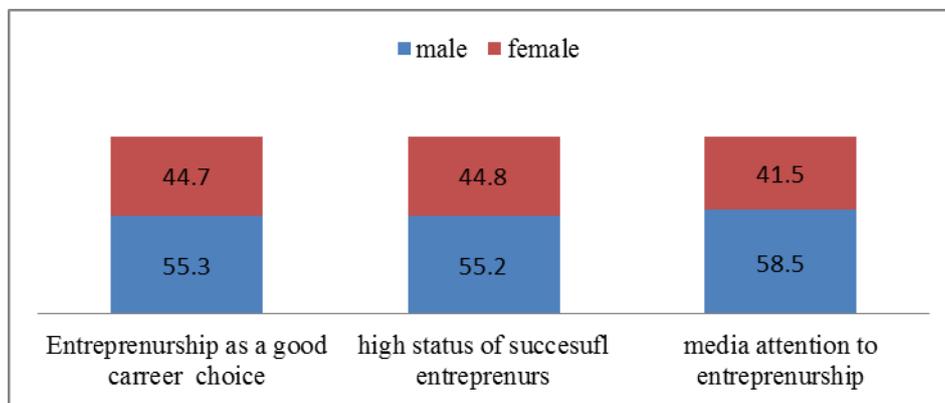
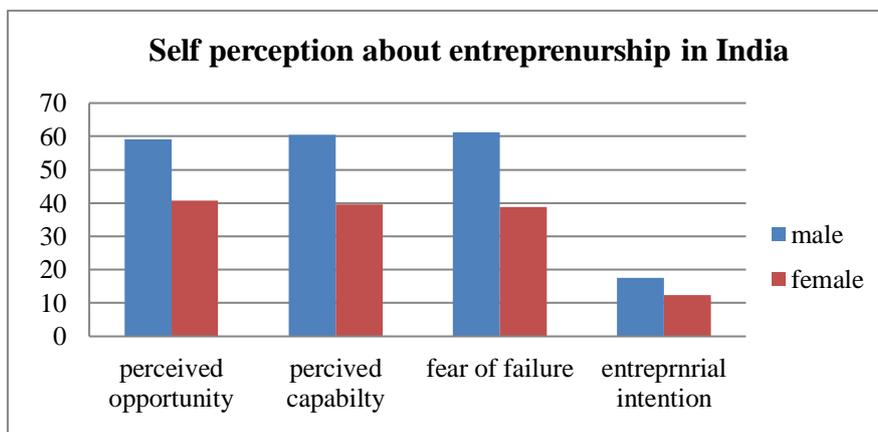


Fig 6: Perception of societal values

6.4 Gender and self-perception about entrepreneurship in India

As per GEM Survey 2016, it is reported that in disparity to females, the males have upper levels of perceived opportunities, capabilities, fear of failure and entrepreneurial intention.

As can be observed in Figure 7, males continue to have an upper hand over female, in terms of perceived opportunity, capacity, and entrepreneurial intention. In terms of total entrepreneurial activity males continue to dominate.



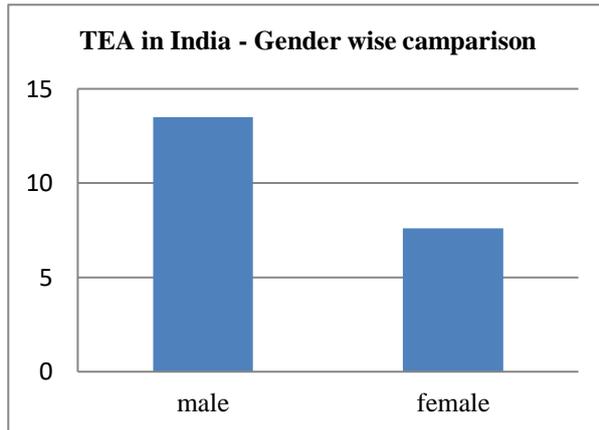


Fig 7: Self-perception and gender wise comparison

7. Challenges

The challenges faced by women as identified by female entrepreneurship Index are two: Institutional and Non-institutional. The Institutional challenges are as follows:

1) Equal rights 2) Market size 3) Secondary education 4) Business Risk 5) Internet and network 6) Access to Childcare 7) Tech absorption 8) Technology transfer

- 1) *Equal Rights:* India's growth towards gender equality which is measured by it stands on ranking such as Gender Development Index has been observed to be disappointing. One of the main cause of inequality in terms of rights is in the Indian society is rooted in the patriarchy system. If gender inequality indices are examined, the following portrays India's rank with respect to gender inequality: UNDP gender inequality index 2018 – India ranks 127th out of 144 countries with a value of 0.524. India being seen as major hub for economic activities in the future, journey towards sustainable

development will not be ensured without an equal participation by males and females.

- 2) *Market Size:* According to World Bank, FAO and IFAD 2009 it is observed that women entrepreneurs in developing countries face unequal obstacles in accessing and challenging in markets. These include women's relative lack of mobility, capacity and technical skills in relation to men.
- 3) *Secondary Education:* As per the report in print by World Bank in July 2018 revealed that the lack in educational opportunity and barriers in finishing 12 years of education for girls is costing countries anything between \$15 trillion and \$30 trillion dollars. The report highlighted that around the world women with completion of secondary education earn twice as much as those who are educated at primary education. It also highlighted that globally nine in ten

girls complete primary education, but only three in four complete their lower secondary education. According to the educational statistics released by MHRD in 2016, there were 62892000 girls enrolled in primary school in the year 2014-15. The number of girls enrolled in Secondary classes was 18180000. There is a harsh difference in the numbers, with a variation of almost 71 percent.

8. Conclusion

We discussed how the world of entrepreneurship is changing and how it impacts women in India. While they will be getting beautiful opportunities, they will have to work harder than men. When it is not always easy being woman, much less a career woman, reaching the top will be difficult. They have to work with a clear mind set, taking men along with them.

Examining and analyzing various data we have accomplished the objectives of our study. Our study has proved that there is no significant difference in proprietary ownership by female in the rural and urban setup of India. Gender equity has already set in. Women who could not think beyond the welfare of their families have now awakened to action. They have now a new 'habitus' and 'field' (ala Bourdieu) much of which they have carved themselves. If the perception of societal values does not harm them they will succeed in their new ventures.

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