

# **A Study on Women Entrepreneurs in India: Challenges & Contribution towards GDP**

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**Abstract:** Woman constitutes the family, which leads to society and Nation. Social and economic development of women is necessary for overall economic development of any society or a country. Entrepreneurship is the state of mind which every woman has in her but has not been capitalized in India in way in which it should be.

The concept of women entrepreneurship in India is of recent origin and has gained momentum since the early 1980s due to liberalization of economies. Today world is at a surprising pace due to Liberalization, Privatization and Globalization along with ongoing IT revolution and is bringing new opportunities and challenges for women in the business world today. Due to change in environment, now people are more comfortable to accept leading role of women in our society, though there are some exceptions. Women entrepreneurs are approximately one-third of total entrepreneurs worldwide.

Our increasing dependency on service sector has created many entrepreneurial opportunities especially for women where they can excel their skills with maintaining balance in their life.

Propose of this empirical study is intended to find out various motivating and de-motivating internal and external factors of women entrepreneurship. It is an attempt to quantify some for nonparametric factors to give the sense of ranking these factors. It will also suggest the way of eliminating and reducing hurdles of the women entrepreneurship development in Indian Context.

**Keywords:** *Woman, Entrepreneurs, Challenges, Contribution, GDP*

## **INTRODUCTION**

Entrepreneurship refers to the act of setting up a new business or reviving an existing business in order to take advantages from new opportunities. Thus, entrepreneurs shape the economy by creating new wealth and new jobs and by inventing new products and services. However, an insight study reveals that it is not about making money, having the greatest ideas, knowing the best sales pitch, applying the best marketing strategy. It is in reality an attitude to create something new and an activity which creates value in the entire social eco-system.

Women entrepreneurship is gaining importance in India in the wake of economic liberalization and globalization. The policy and institutional framework for developing entrepreneurial skills, providing vocation education and training has widened the horizon for economic empowerment of women. However, women constitute only one third of the economic enterprises. There exist a plethora of successful business women entrepreneurs both in social and economic fields in India. They are performing well. Government of India has also introduced National Skill Development Policy and National Skill Development Mission in 2009 in order to provide skill training, vocational education and entrepreneurship development to the emerging work force. However, entrepreneurship development and skill training is not the only responsibility of Government and therefore other stakeholders need to shoulder the responsibility. In Hindu scriptures, woman has been described as the embodiment of shakti. But in real life she is treated as Abla. Women are leaving the workforce in droves in favor of being at home. Not to be a homemaker, but as job-making entrepreneurs. The increasing presence of women in the business field as entrepreneurs has changed the demographic characteristics of business and economic growth of the country. Women-owned businesses enterprises are playing a more active role in society and the economy, inspiring academics to focus on this interesting phenomenon. This paper focuses on the problems, issues, challenges faced by women entrepreneurs, how to overcome them and to analyze policies of Indian government for and problems faced by them while pursuing their business.

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## REVIEW OF LITERATURE

Bowen & Hisrich, (1986), evaluated many research studies done on women entrepreneurship. It concluded that female entrepreneurs are relatively well educated in general but are not having proper management skills, high in internal locus of control than other women in their values & are likely to have had entrepreneurial fathers. Cohoon, Wadhwa & Mitchell, (2010), present a detail about men & women entrepreneur's background and experiences. The study is based on the data collected from primary data where surveys were conducted to collect data from established & successful women entrepreneurs. The study identified top factors motivating women to enter into the field of entrepreneurship. The factors found were desire to build the wealth, the wish to capitalize own business ideas and to move ahead in life. The challenges are more related with entrepreneurship rather than gender. Studies have found that most of the women establish enterprises before the age of 35 after gaining some job experience somewhere. The Women network report on Women in Business & in Decision Making focus on women entrepreneurs, about their problems in starting & running the business, family background, education, size of business unit. Darrene, Harpel and Mayer, (2008) performed a study & established a relationship between human capital and self-employment. The study showed that self-employed women differ on most human capital variable as compared to the salary and wage earning women. The study also revealed the fact that the education attainment level is faster for self employed women than that for other working women. Singh, 2008, conducted a study to identify the reasons & factors that influence entry of women in entrepreneurship and also explained the obstacles in the growth of women entrepreneurship. The factors identified were lack of interaction with successful entrepreneurs, social un-acceptance as women entrepreneurs, family responsibility, gender discrimination, lack of social networking, low family and financial support. Tambunan, (2009), made a study on recent changes that have occurred in women entrepreneurs in Asian developing countries. The study focused mainly on women entrepreneurs in small and medium enterprises based on data analysis and review of recent key literature. The study found that women entrepreneurship is gaining overwhelming importance in all sectors. The study also depicted the fact that representation of women entrepreneurs in this region is relatively low due to factors like low level of education, lack of capital and cultural or religious constraints.

## RESEARCH METHODOLOGY

The research is descriptive in nature and the secondary data is collected from different published books and papers, articles published in different journals, periodicals, conference paper, working paper and websites. The research drafting and analysis is based on the outcome of various researchers whose research has been considered as a springboard for preparing the present research work.

## CHALLENGES FACED BY WOMEN ENTREPRENEURS IN INDIA

- **Conflicts between Work and Domestic Commitments**-Women's family obligations bar them from becoming successful entrepreneurs in both developed and developing nations. "Having primary responsibility for children, home and older dependent family members, few women can devote all their time and energies to their business" (Starcher, 1996)
- **Gender gaps in education**- While women are making major strides in educational attainment at primary and secondary levels, they often lack the combination of education, vocational and technical skills, and work experience needed to support the development of highly productive businesses.
- **Lack of finance** – Access to finance is one of the most common challenges that entrepreneurs face and this is especially true for women who are further impeded by lack of personal identification, lack of property in their own name and the need for their husband's countersignature on many documents.
- **Lack of awareness**: Women are unaware about the loans, schemes, assistance etc. provided to them from different institutions like government and non-government. So there is a need to take sincere efforts in this area so that assistance can reach to women entrepreneurs in rural and backward areas.
- **Lack of knowledge in Business Administration**- Women must be educated and trained constantly to acquire the skills and knowledge in all the functional areas of business management. This can facilitate women to excel in decision making process and develop a good business network.

- **Market-oriented risks-** Stiff competition in the market and lack of mobility of women make the dependence of women entrepreneurs on middleman indispensable. Many business women find it difficult to capture the market and make their products popular. They are not fully aware of the changing market conditions and hence cannot effectively utilize the services of media and internet.
- **Legal constraints in family law-** The institutional and legal environment is critical to the growth of female-owned enterprises. Laws regulating the private sphere specifically those regarding marriage, inheritance and land can hinder women's access to assets that can be used as collateral when securing a loan.
- **Heavy household responsibilities-** Women in rural areas have a lot of household responsibilities as they have more children. They are required to perform their traditional role as housewives and therefore, they have fewer hours of free time than men, both during the weekend and on weekdays
- **Lack of family support-** Sometimes the family may make the women feel guilty of neglecting household duties in her pursuit of business obligations. Cultural traditions may hold back a woman from venturing into her own business.
- **Lack of capital-** traditional sources of finance like banks are reluctant to lend to women entrepreneurs especially if they do not have any male or family backing. This is especially true of lower income females. Women do not have adequate finance or legal knowledge to start an enterprise.
- **Lack of confidence and faith-**lack of role models undermines the self-confidence of women entrepreneurs. The activity of selling is considered abhorrent to the female gender.
- **Lack of right public/ private institutions-** Most public and private incentives are misused and do not reach the woman unless she is backed by a man. Also many trade associations like ministries, chambers of commerce do not cater to women expecting women's organizations to do the necessary thing.

### REASONS FOR BOOSTING WOMEN ENTREPRENEURSHIP

The role of women entrepreneurs in the process of economic development has been recognized from nineties in various parts of the world. Today, in the world of business, women entrepreneurship has become an essential movement in many countries and has been accepted in all areas of working. The United Nations report has also concluded that economic development is closely related to the advancement of women. In nations where women have advanced, economic growth has usually been steady. By contrast, in countries where women have been restricted, the economy has been stagnant. The data on correlation between Gender related development index and GDP per capital reinforces the below fact

Rank	Country	Gender Related Development	As a per % of HDI	As a per % of GDP per Capital (US\$)
1	Australia	0.966	98.9	34923
2	Norway	0.961	99.6	53433
3	Iceland	0.959	99.0	44613
4	Canada	0.959	99.2	35812
5	Sweden	0.956	99.3	36712
6	France	0.956	99.4	33674
7	Netherland	0.954	98.9	38694
8	Finland	0.954	99.5	34526
9	Spain	0.949	99.4	31560
10	Ireland	0.948	98.2	44613
11	<b>India</b>	<b>0.594</b>	<b>97.1</b>	<b>4102</b>

Table 1: Development Index and Its Component

Source: Human Development Report 20

As shown in the above table, Gender related development index is significantly correlated with GDP per capita. The value of correlation coefficient comes 0.857371. Therefore, It can be treated as one of the parameter to show the economic condition & growth of the country

S.no	Name	Position	Organization
1	Arundhati Bhattacharya	Chairperson	State Bank of India
2	<a href="#">Archana Bhargava</a> ,	Chairman and Managing Director	United Bank of India
3	Zarin Daruwala	CEO	Standard Chartered Bank (India)
4	<a href="#">Aisha de Sequeira</a>	Managing Director and Head, Investment Banking	Morgan Stanley
5	Bala Deshpande,	MD	New Enterprise Associates
6	Vijayalakshmi Iyer	Chairman and Managing Director	Bank of India
7	Renu Sud Karnad,	Managing Director	HDFC
8	Naina Lal Kidwai	Group General Manager And Country Head	HSBC INDIA
9	Chanda Kochhar	MD AND CEO	ICICI Bank
10	Kalpana Morparia	CEO South Asia And India Operations	JPMORGAN CHASE & CO.
11	Kaku Nakhatre	President And Country Head (INDIA)	Bank Of America Merrill Lynch
12	Kavita Nehemiah	Social Entrepreneur, Co-Founder & COO	Artoo
13	Shubhalakshmi Panse	Chairman And Managing Director	Allahabad Bank
14	Chitra Ramkrishna	Managing Director & CEO	National Stock Exchange of India
15	Renuka Ramnath	Founder	Multiples Alternate Asset Management
16	Usha Sangwan	Managing Director	Life Insurance Corporation Of India
17	Shikha Sharma	Axis Bank	CEO
18	<a href="#">Snehlata Shrivastava</a>	Executive Director	National Bank For Agriculture And Rural Development

Table 2: List of Successful Women In Banking And Finance Sector In India

## CONCLUSION

The economic development of a country depends upon the involvement of women into the entrepreneurship activities. India is known to be male dominant country where women are facing considerable hurdles while operating the venture. In spite of this, women entrepreneurship in India is still growing steadily and is providing job opportunities and income generating avenues for different segments of society.

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