

INTERNATIONAL JOURNAL OF LAW MANAGEMENT & HUMANITIES

[ISSN 2581-5369]

Volume 7 | Issue 3

2024

© 2024 *International Journal of Law Management & Humanities*

Follow this and additional works at: <https://www.ijlmh.com/>

Under the aegis of VidhiAagaz – Inking Your Brain (<https://www.vidhiaagaz.com/>)

This article is brought to you for “free” and “open access” by the International Journal of Law Management & Humanities at VidhiAagaz. It has been accepted for inclusion in the International Journal of Law Management & Humanities after due review.

In case of **any suggestions or complaints**, kindly contact Gyan@vidhiaagaz.com.

To submit your Manuscript for Publication in the **International Journal of Law Management & Humanities**, kindly email your Manuscript to submission@ijlmh.com.

Rise of Women Entrepreneur in Economic Development of India

DIVYA SHARMA¹

ABSTRACT

As said by Eleanor Roosevelt “A woman is like a tea bag, you never know how strong she is until she gets in hot water”. Women constitute nearly half of the world’s total population. In India also almost fifty per cent of the total population is constituted by women. But women’s participation is seen to be lower in the economic development of the country as compared to man. The main restricting factor for which women in this country could not take active part in economic activities is the traditional mindset which views woman as the homemakers while the role of bread earners is headed by the male counterpart in the family. In India, there is huge potential of women to emerge as contributors to socio economic spheres of the country but still women experience barrier to contribute for the economic development but now with some consistent developments in the Indian startup ecosystem more and more women entrepreneurs have started chasing the entrepreneurial dreams and flourishing in their venture, initiating a range of required changes to the society and economy. The present paper figures out the available existing literature on women entrepreneurship with the help of secondary data and examines it accordingly. This report is another effort in the direction of women contribution towards their entrepreneurial development and how increasing entrepreneur’s number of growth oriented women is trying to support the agenda of advancing women entrepreneurship in India. Empowerment of women in social, economic, political and spiritual spheres is essential for the country to realize its vision of becoming developed nation by 2047.

Keywords: *Entrepreneurs, Women Entrepreneurs, Contributions, Issues, Challenges.*

I. INTRODUCTION

In the past years India has experienced rapid growth and development in many spheres. Gender equity is not one of them. This is shameful considering the important role played by women in the socio-economic growth of the country. The Indian development model has yet to fully incorporate the vital role played by women for propelling the economic growth of the country and in reducing unemployment in the Indian economy. The current scenario is that women forms an important part of the labor force and the economic role played by them cannot be

¹ Author is a student at Royal School of Business, Guwahati, Assam, India.

isolated from the framework of development. Emergence of entrepreneurships considered to be closely linked with social, cultural, religious and psychological variables. Women entrepreneurship in India is a recent phenomenon which has come on the scene in the seventies but became more prominent in the eighties especially in the latter half of the decade. Entrepreneurship plays an important role to combat unemployment, poverty and other economic problems especially in the regions with growing unemployment rates. Women entrepreneur contribute significantly to economic development but their contribution has not been properly studied and developed. It is more difficult and challenging for women to start and be in business due to lack of opportunities and domestic responsibilities and various other factors. Under such circumstances it is very essential to study the economic independence of women entrepreneur. This research paper is an attempt to do an exhaustive study on the contribution of women entrepreneurs in the Indian economy. It will examine the importance of woman entrepreneurship in India and their contribution in Indian economy. It will determine the challenges and the problems associated with the woman entrepreneurship. Further, this project will go on to assess women entrepreneurship and make practical recommendations to enhance women entrepreneurship in Indian economy.

(A) Literature Review

1. Women Entrepreneurship and Economic Development, Sanjay Tiwari, Anshuja Tiwari. Publisher: Sarup and Sons (2014).

This article mainly deals with the women entrepreneurship and its impact on economic development. It deals with the conceptual framework on women entrepreneurship. It also deals with the emergence of women entrepreneurship and says that emergence of entrepreneurs in a society depends to a great extent on economic, social, religious, cultural and psychological factors prevailing in the society. It also examines the various typologies of women entrepreneur.

2. Women Entrepreneurship in India, Shikha Mahajan, Global Journal of Management and Business Studies, ISSN 2248-9878, Volume 3 Number 10 (2013).

This article discusses the importance of women entrepreneurship in India. It also deals with the contribution of women entrepreneurship in Indian economy. It deals with the journey of some of the dynamic Indian women who have set their benchmark in their chosen fields.

3. A Study of Challenges and opportunities of women entrepreneurship S. Banu, National Conference on Challenges in Business Practices, (CIBP 2012 March).

This article mainly focuses on the various challenges faced by the women entrepreneur. It

analyses the various problems which are associated with women entrepreneur. It also deals with the various suggestions and recommendations which would enable the women to overcome all the problems.

(B) Scope & Objectives

The Main scope and objectives are:

- To study the concept of women entrepreneurship and their importance on Indian economy.
- To study the various typologies of women entrepreneur.
- To analyze the contribution of women entrepreneur in Indian economy with the help of illustrations.
- To determine the unique challenges faced by women entrepreneur.
- To suggest practical recommendations to enhance women entrepreneurship in India.

(C) Research Questions

- 1) What is Women entrepreneurship?
- 2) What is the importance of women entrepreneurship in India?
- 3) What is the contribution of women entrepreneur in the Indian economy?
- 4) What are the challenges faced by the women entrepreneur?
- 5) What are the suggestions to enhance women entrepreneurship in India?

(D) Research Methodology

1. Approach to Research

In this project doctrinal research was involved. Doctrinal Research is a research in which secondary sources are used and materials are collected from libraries, archives, etc. Books, journals, articles were used while making this project.

2. Type of Research

Explanatory type of research was used in this project because the project topic was not relatively new and unheard of and also because various concepts were needed to be explained.

3. Sources of Data Collection

Secondary source of data collection was used which involves collection of data from books, articles, websites, etc. No surveys or case studies were conducted.

II. WOMEN ENTREPRENEURSHIP: A CONCEPTUAL FRAMEWORK

The word “Entrepreneurship” is derived from a French word, commonly used in the 17th century ‘entreprendre’ referring to the individual who were basically “undertakers”, who took the risk of a new enterprise. In many forms of French, British and Australian literature in economics, the word was used in the context of “Change agents”. Entrepreneurship is basically an activity that helps in sensing the opportunities, resourcing “innovation” and realizing the “pay-off” through the actions performed by him or her. In the process of entrepreneurship, the individual scans an environment for opportunities, identifies them, examines the feasibility of converting that opportunity into a possible enterprise for production drafts a plan of action and then engages oneself in such activities that would cause the product. Several approaches have been made to define entrepreneurship. Thus a person who assumes and bears all types of risks involved in an enterprise, who organizes the various inputs or factors of production and who innovates new ideas, concepts, strategies in business from time to time is known as an entrepreneur.

(A) Women Entrepreneurship

The term women entrepreneurship basically means an act of business ownership and business creation that empowers women economically increases their economic strength as well as position in society². The role of women entrepreneur is undergoing profound changes in the wake of technological innovations which have brought fresh opportunities to consolidate and enhance the benefits accruing from promoting women entrepreneurship. Women entrepreneurship is an emerging reality and the concept of women as entrepreneur is becoming a universal phenomenon today. According to Global Entrepreneurship Monitor (GEM), women represent more than one third of all people involved in entrepreneurial activity and are likely to play an even greater role when informal sectors are considered.

(B) Emergence of Women Entrepreneurship

Women have been economically active since pre-historical times; although their part in the work force has undergone changes from time to time depending on the structure and pattern of the existing social order. A 2000 BC record shows women in Babylonia raised cattle alongside men. Besides they were engaged in raising children, cooking, making clothes, in rural areas. Later, as cities developed, women started to work outside the home as market traders, laundresses, courtesans, and nurses. In ancient Greece, women who belonged to the upper class did not do any work, but lower class women performed a variety of jobs, usually unskilled work

² SANJAY TIWARI, ANSHUJA TIWARI, WOMEN ENTREPRENEURSHIP AND ECONOMIC DEVELOPMENT 69 (Sarup & Sons Publications 2014).

including manual labor in return for food and accommodation. They were without any protection or rights, which was the case in other ancient societies as well. Not before 14th century in England and France women who knew some of the crafts like tailoring and weaving were acknowledged equal to men who worked as carpenters, tailors, and shoemakers. Only in the 18th and early 19th century, during the Industrial revolution, small scale cottage industries gave way to large scale industrial production. With the emergence of factories, women began to compete with men in every field of work. However, they mostly opted for traditionally women oriented jobs, which were less remunerative and less valued. Factory owners employed them in textile and similar industries not because they were skilled workers, but they worked for 12 or more hours and for the lowest wages. This shows the extent of exploitation of the female work force in the early capitalist system which granted no rights for women. Furthermore they had no union protection, as the unions represented only men.³ Many years later, in 1948; the International Labor Organization (ILO) brought a Convention of the employment policy, in which all forms of discrimination against women, including those in the field of employment were declared illegal. Even after this convention, which upheld equal human rights; women are not treated on an equal footing with men in several spheres of socio – economic activity.

(C) Typologies of Women Entrepreneur

1. Micro entrepreneurs:

Women earning low incomes in rural and urban areas by engaging themselves as home based workers (producers), small vendors, petty traders and hawkers, producers and suppliers of service and cultivators. They are mostly illiterate and are from the lower strata of the society (in terms of caste and communities), have very low level of skills, mostly learnt as part of their household work (cooking, knitting, bamboo basket, weaving textiles and handicrafts) and have little or no technology and cater to the low end of the market segment.

2. Small Scale Entrepreneurs:

This segment belongs to the urban middle and upper middle class women entrepreneurs who have relatively easy access to the government support infrastructure. They are better qualified and have more exposure to the market. They also have better business networks through their families and friends who may be in the same business.⁴

³ SANJAY TIWARI, ANSHUJA TIWARI, WOMEN ENTREPRENEURSHIP AND ECONOMIC DEVELOPMENT 69 (Sarup & Sons Publications 2014).

⁴ SANJAY TIWARI, ANSHUJA TIWARI, WOMEN ENTREPRENEURSHIP AND ECONOMIC DEVELOPMENT 69 (Sarup & Sons Publications 2014).

3. Women of large owned business:

These entrepreneurs come from wealthy class of the social strata, coming mostly from business houses or from the families of serial inheritance or division of large business houses.

III. WOMEN ENTREPRENEURSHIP IN INDIA

Women constitute around half of the total world population so in India also they are, therefore, regarded as the better half of the society. In traditional societies, they were confined to the four walls of houses performing household activities. In modern societies, they have come out of the four walls to participate in all sorts of activities. India is a fastest growing economy in the world and provides tremendous opportunities to entrepreneurs but scene for women entrepreneurs is one of the worst in the world because India is a Man's world. In a recent study (2015) of Global Women Entrepreneur Leaders Scorecard, India ranked 29th out of 31 countries to facilitate women for entrepreneurship. India was ranked just before Pakistan and Bangladesh to create a favorable environment to support women to start their venture. Our socio-economical set up is very traditional, deep rooted and male dominated⁵. Despite all the social hurdles, women who are assertive, persuasive and willing to take risks are at the battle field and have made remarkable presence in the industrial sector. The Planning Commission of the Government of India realized that economic development of country can take place only when women are brought in the mainstream of economic development. This, among other things, underlined the need for entrepreneurship development program for women to enable them to start their own small- scale industries. Accordingly, the focus on economic development made women the 'subjects' rather than 'objects' of development and 'change agents' rather than 'welfare recipients.' However, support is required from men colleagues/customer, government, NGO's and family members to make their position more visible and firm. Men should provide equal opportunity to women so that she could flourish her potential, Government should make and implement favorable policies for women entrepreneurs.

(A) Role of women entrepreneur in INDIA

Indian women are considered as a source of power (Shakti) since mythological times. The Hindus worship goddesses as mothers. But in reality, women occupy a back seat to men. Moreover, they are revered as mothers, sisters and other social bondages. Gone are the days when the dreams of breaking through the glass ceiling and reaching the top most rung in the

⁵ Shikha Mahajan ,Women Entrepreneur in India, 3,GLOBAL JOURNAL OF MANAGEMENT AND BUSINESS STUDIES,99, (2013)

corporate ladder were next to impossible for women. Today, the women of our country have come a long way from being just a homemaker and are an equal match to some of the most powerful men in the corporate world. From heads of global business giants to founders to some of the most innovative startups, women have made mark almost everywhere one can think of. But their journey to the hall of fame wasn't easy; they have fought against various negative notions and proved their mettle eradicating any and all doubts be it regarding their leadership capabilities or their entrepreneurial abilities. Some of the most successful female entrepreneurs of the country who are an inspiration for every budding entrepreneur out there.

1. Indu Jain

Indu Jain is the current chairperson of the Bennet, Coleman and Co. Ltd., one of the largest media groups in the country. They are best known for their daily newspaper The Times of India, The Economic Times and the TV news channel Times Now. Under her leadership, the Times Group touched many new highs. She is widowed with two sons Samir and Vineet who now oversee the family business. Although the chairperson of Bennett, Coleman & Co. is one of the most prominent and eminent roles played by her, she is also known by many other different identities such as that of a spiritualist, humanist, entrepreneur, an educationalist and also as an aficionado of culture and the arts. Mrs. Indu Jain was also awarded the 'Padma Bhushan' by the Government of India in January 2016. But her portfolio just doesn't end here; Mrs. Indu Jain was the guiding force behind The Oneness Forum, which was formally launched by the President of India in 2003. The Forum recently awarded the Mahatma-Mahavira Awards to outstanding individuals from all of the walks of life and is involved in several activities that seek to bring, and highlight, a sense of Oneness in the world.

2. Indra Nooyi

'Indra Nooyi' the CFO and the president of the PepsiCo. India is probably one of the most widely known female entrepreneurs in the country. Born and brought up in Chennai, Indira did her Bachelor's in Science from Madras Christian College in 1974. She later did her Master's in Public Management from Yale University and a Master's in Finance and Marketing from IIM, Kolkata. Indira has held several senior positions in various companies such as that of Motorola and Asea Brown Boveri before she finally joined Pepsi Co. She, however, started her career as a product manager at Johnson and Johnson. ⁵She joined PepsiCo. in the year 1994 and was named the president in the year 2001. She was also awarded the prestigious 'Padma Bhushan' for her business achievements and being an inspiration to India's corporate leadership. She is also well-known for her business acumen which is clearly evident in the billions of dollars worth

of crucial deals that the company has garnered under her leadership.

3. Falguni Nayar

Falguni Nayar is the founder and CEO of NYKAA, India's leading beauty and wellness e-commerce platform. Born to a Gujarati family, Falguni was raised in Mumbai. Before founding Nykaa in 2012; she had a successful career as an investment banker at Kotak Mahindra Capital. The Nykaa story is intriguing as it defines the proverb "Better late than never". Falguni Nayar ventured into entrepreneurship at age of 50 defying traditional career paths. She envisioned Nykaa fashion as a one stop destination for all beauty and wellness needs, offering a wide range of products and brands.' In 2009, at age of 46, she aspired to start a company. She got few ideas in 2011, including establishing a multi-brand e-commerce platform. As a result, she quit her job in 2012 to launch her own business. Even after working for 20 years in Kotak Mahindra, she understood she had zeal to take up her own business. In 2020 Nykaa became first ever Unicorn in India, initiated and led by woman. Nykaa has over 1.5 million orders per month which is effectively managed by her team. Ventures led by women employ over 27 million individuals, contributing significantly to economic growth and job creation.

4. Kiran Mazumdar Shaw

Kiran Mazumdar Shaw is the founder Chairman and the Managing Director of Biocon limited which is one of the leading pharmaceutical companies in the country. Born and brought up in Bangalore, she completed her bachelor's in Zoology from Mount Carmel College, Bangalore University. She later did her master's in Malting and Brewing from Ballarat College, Melbourne University. She founded Biocon India in 1978 out of the garage of her rented home in Bangalore. It was a joint venture with Biocon Biochemical's Limited of Cork, Ireland. She started her entrepreneurial journey amidst a shortage of funding, lack of qualified workers and many other such obstacles.⁶ Today the company has established itself as the leading player in the biomedicine research with a strong focus on diabetes and oncology. Apart from this Kiran is also a member of the board of governors of the Indian School of Business and Indian Institute of Technology, Hyderabad. She was also awarded the prestigious 'Padma Shri' in 1989 and the 'Padma Bhushan' in 2005 by the government of India.

5. Tanushree Hazarika-Managing Director, Eclectic Group:

Tanushree Hazarika is one the great women entrepreneur from Assam. A business management graduate from Boston University, Tanushree Hazarika previously worked in MNCs like Fidelity

⁶ Shikha Mahajan ,Women Entrepreneur in India, 3,GLOBAL JOURNAL OF MANAGEMENT AND BUSINESS STUDIES,99, (2013)

and Morgan Stanley in the US, till she came back to India and established an English Magazine called Eclectic Northeast in 2007. Tanushree also started Tattva Creations in 2010, which, provides brand and communication solutions to corporate and organizations and is the recipient of the Young Communicator Award from the Symbiosis Institute in 2010 and the Outstanding Woman Achiever award by FLO (ladies wing of FICCI) in 2013. She is a Fellow of the fifth class of the India Leadership Initiative and a member of the Aspen Global Leadership Network.

IV. PROBLEMS ASSOCIATED WITH WOMEN ENTREPRENEUR

- **Problem of Finances arrangement:** - Finance is said to be the “life blood” of every business undertaking, be it large or medium or small scale enterprise. Usually women entrepreneurs face the problems of shortage of finance on two important grounds. Firstly, women do not generally have property on their own names to use that as collateral securities for obtaining loans/funds from banks and other financial institutions. Thus their access to external sources is very limited. Secondly, the banks also consider women less credit worthy and discourage women borrowers on the belief that they cannot repay back the amount of loans taken by them.
- **Scarcity of raw materials required for productive capacities:** - They have to even face the problems of scarcity of raw-materials and necessary inputs. On the top of this, is the high prices of raw materials, on one hand and getting raw materials at minimum discount rates are the other.⁷
- **Cut-throat competition with other group of men and established self-sufficient entrepreneurs:**-Women entrepreneurs do not have a proper organizational set-up to pump in a lot of money for canvassing and advertisements. Thus they have to face a stiff competition with the men entrepreneurs who easily involve in the promotion and development area and carryout easy marketing of their products with both the organized sector and their male counter parts. Such a competition ultimately results in the liquidation of women entrepreneurs.
- **Limited mobility factor in case of women entrepreneurs:**-Unlike men, women mobility in India is highly limited due to many factors/reasons. A single women asking for room is still looked with suspicion. Cumbersome exercise involved in starting with an enterprise coupled with officials humiliating attitude towards women compels them

⁷ S.Banu,A Study of Challenges and Opportunities of women Entrepreneurship,12,NATIONAL CONFERENCE ON CHALLENGES IN BUSINESS PRACTICES,121,(2012)

to give up their spirit of surviving in enterprise altogether.

- **Family responsibilities, ties as well as commitments:** - In India, mainly woman's duty is to look after her children and manage the other members of the family. Man plays a secondary role only. In case of married women she has to strike a fine balance between her business and family. Her total involvement in family leaves little or almost no time or energy to be diverted for the business activities. Support and approval of husbands seems to be necessary condition for women entry into business. Accordingly, the educational level and family background of husbands also influences women participation in the field of enterprise.
- **Lack of education and prevalent levels of illiteracy amongst women:**-In India, around 3/5th (60%) of women are still illiterate. Illiteracy is the root cause of socio-economic barriers or hurdles. Due to lack of education and that to qualitative education, women are not aware of business, technology and market knowledge. Also lack of education causes low achievement motivation amongst women. Thus lack of education creates problems before women to set up competitive enterprises.
- **Domination by male and ideology of male dominated society:**-Male chauvinism is still prevalent in many parts of the country yet the constitution of India speaks about the equality between both the sexes, i.e. men and women. But in practice, women are looked upon as "abla" i.e. weak in all respects. Thus women suffer from a number of problems, in a nutshell in a male dominated society; women are not treated equal to men. This in turn, serves as a barrier to woman's entry into business.
- **Lesser risk and uncertainty bearing attitude:** - Women in India lead a protected life. They are even less educated and economically not stable neither self-dependent. All these factors reduce their ability to bear risks and uncertainties involved in a business unit, which are the most important criteria of every business activity.
- **Lack of self-confidence and optimistic attitude amongst women:**-Today all the women are suffering from one major problem of lack of self-confidence, will-power, strong mental outlook, optimism etc. They always fear from committing mistakes while doing their piece of work, moreover there is limited initiative of taking risk and bearing uncertainty in them. Thus all these psychological factors often obstruct their path of achieving success in the area of enterprise.
- **Old and outdated social outlook to stop women from entering in the field of entrepreneurship:** - Also one of the dominant reasons for their failure is the attitude

of society people towards their modern business prospects and developing attitude. Women nowadays have low risk taking ability because of the number of questions put forward by the conservative society people. Thus they are under a social pressure which restrains them to prosper and achieve success in the field of entrepreneurship.

- **Absence of proper support and back-up for women by their own family members and the outside world people:** - Many a times their own family members are not supporting and cooperating as well as having encouraging attitude to dare to enter into the entrepreneurship field. They are always making many pessimistic feelings to be aroused in their minds and making them feel that family and not business is a place meant for them. Due to such limited scope of help and cooperation from family and other people, they drop the idea of excelling in the enterprise field.⁸ Apart from the above discussed problems there may occur other series of serious problems faced by women entrepreneurs are improper infrastructural facilities, high cost of production, attitude of people of society towards the women modern business outlook, low needs of achievement and socio-economic constraints often puts women behind in the field of enterprise.

V. RECOMMENDATIONS

Finance is the first major problem for women. The banks and other financial institutions should provide loan to the women who are willing to do business without lengthily procedure. Hence the government can provide interest free loans, capital subsidy, power tariff subsidy, tax concessions and marketing assistance to encourage women entrepreneurship. Most of the women entrepreneurs are of the opinion that because of lack of training they find difficulty in surviving in the market. Hence the government should conduct frequent training programmers with regard to new production techniques, sales techniques etc. This training should be made compulsory for women entrepreneurs. Marketing their products is one of the main problems for women entrepreneurs. Hence women co-operative societies can be started to procure the products from women entrepreneurs and they can help them in selling their products at reasonable prices. Most of the women have entered in to entrepreneurship only after their marriage. Unmarried women can be more successful than married women, in entrepreneurship business if they are properly trained. Hence the govt. can conduct entrepreneurial training program in colleges at least once in a month. This will motivate more young women to enter

⁸ S.Banu, A Study of Challenges and Opportunities of women Entrepreneurship, 12, NATIONAL CONFERENCE ON CHALLENGES IN BUSINESS PRACTICES, 121, (2012)

into business of their own. National commission for self-employed women recommended that where raw materials are not easily accessible, alternative channels should be identified through which good quality of raw material would be procured at reasonable prices. The Government can provide electricity charges at low cost without power failure which will make women entrepreneurs to gain more in their business.

VI. CONCLUSION

It can be concluded that the role of women entrepreneurs in promoting industrial development is also being recognized and steps are being taken to promote women entrepreneurship. Making them realize their strengths and important position in the society and the greatest contribution they can make for the manufacturing, trading and service industries as well as the entire economy. Apart from these Women's participation in economic development calls for arrangements that would lighten their domestic work load and release them for other economic and socially productive work. Though women entrepreneurs face many problems and challenges in their path to become successful entrepreneur the government has taken many initiatives for the growth of women entrepreneurs. Finally, the researcher has given appropriate suggestions to overcome the problem of women entrepreneurs. If the financial institutions, government and non-government organizations follow the suggestions, it will help to increase the growth of Indian economy.

VII. BIBLIOGRAPHY

1. Tiwari Sanjay, Tiwari Anshuja, “Women Entrepreneurship and Economic Development”, Sarup and Sons publications, 2014
2. Banu S. “A Study of Challenges and opportunities of women entrepreneurship”, National Conference on Challenges in Business Practices, (CIBP 2012 March).
3. Mahajan Shikha, “Women Entrepreneurship in India”, Global Journal of Management and Business Studies, ISSN 2248-9878, Volume 3 Number 10 (2013)
