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## **GENDER DIFFERENCES IN ENTREPRENEURSHIP IN INDIA**

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**Abstract:** Entrepreneurship is a highly personal, subjective process. Becoming an entrepreneur is an evolution of encountering, assessing, and reacting to a series of experiences, situations, and events produced by political, economical, social, and cultural change. Women's entrepreneurship has a tremendous potential in empowering women and transforming society. Women are entering the workforce and starting new businesses at an increasing rate, but they are still more likely to be the primary parent, emotional nurturer and housekeeper. The present research paper is a genuine endeavour to explore gender differences in entrepreneurship in India.

**Keywords:** Women, Entrepreneurship, Gender, India.

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**Introduction:** The capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make a profit. The most obvious example of entrepreneurship is the starting of new businesses.

In economics, entrepreneurship combined with land, labor, natural resources and capital can produce profit. Entrepreneurial spirit is characterized by innovation and risk-taking, and is an essential part of a nation's ability to succeed in an ever changing and increasingly competitive global marketplace. Entrepreneurship is the practice of starting new organizations or revitalizing mature organizations.

The basic concepts and characteristics of entrepreneurship are concerned with developing a vision of what a company should be, and then executing that vision by translating it into concrete steps and following through. Entrepreneurs tend to be personally involved in building and shaping their companies, but business success also depends on understanding personal limits, and developing strategies and systems to transcend these limits.. Starting a business is a creative endeavor that starts with conceptualizing a product or service, and then building a practical infrastructure that can sustain itself while delivering that product or service. Entrepreneurship requires creative problem solving as well as creative product development, and entrepreneurs have the creative freedom to think outside the box and develop unique strategies that balance personal values with practical constraints.

Women Entrepreneurs may be defined as the woman or group of women who initiate, organize and co-operate a business enterprise. A woman or a group of women manages the whole business of enterprise. She prepares various plans and executes them under her own supervision and control. There may be some persons to help her but ultimate control lies with the woman. While the trend of women owning businesses is growing, it is certainly not new. Women have owned and operated businesses since the beginnings of history. They rarely were recognized, however, or given credit for their efforts. Often women were invisible as they worked side by side with their husband in business and may have only stepped into the leadership position when their husband died. Many recognizable businesses today are owned and operated by the wife or daughter of the founder. Women business owners still have many barriers to overcome before obtaining truly equal opportunity in the marketplace. Many of these challenges are rooted in childhood socialization, which plays a critical role in the choices adults make throughout their lifetime.

During this decade there has been a significant shift in approach to women's advancement and empowerment. While previously the advancement of women was regarded as important for outcomes such as economic development or population policies, more than ever the international community has

come to consider the empowerment and autonomy of women and the improvement of their political, social, economic and health status as important ends in themselves. This shift in approach reflects a human rights approach to issues of concern to women. Gender socialization has been described as the lifelong process of developing attitudes, skills, expectations, behaviours, and values. The study of gender focuses on people's perceptions and how males and females differ socially rather than biologically. Women are subordinated and discriminated against because they are women and happen to women. This lifelong socialization process provides a basis for most of the challenges women business owners face in the marketplace. The process does not provide most women with the skills and traits needed to compete as men do in today's business world, nor does it educate most men about how the natural talents of women can be used to advantage in business. The research paper has examined all such aspects related to gender discrimination in entrepreneurship in India.

**Objectives:**

- a) To study the status of women entrepreneurs in India.
- b) To explore the challenges faced by the women entrepreneurs
- c) To examine the gender inequalities in entrepreneurship in India
- d) To give suggestion

**Methodology:** The study is based on the extensive survey of secondary data which is collected from published research papers, websites, reference books, journals and reports etc.

**Status of Women Entrepreneurship in India:** In India, a majority of women entrepreneurs in SMEs (small and medium enterprises) fall within the age group of 25- 40 years. Most SME women owners are married. They have a good educational background, with most of them at least graduates, and have an above average record in education and participation in extra-curricular activities. Most have an urban background and have lived in small nuclear families, both before and after marriage. A majority of women entrepreneurs in SMEs are from Hindu forward communities, with Brahmins being the largest proportion. In the northern part of the country, it is mainly women belonging to communities which have traditionally been in business e.g., Bania or Punjabi Khatri. Among the states, Gujarat, Maharashtra and Karnataka have more women entrepreneurs. These women are either from families which are already in business or have service backgrounds. They have highly educated fathers or husbands. Studies show that SMEs owned by women entrepreneurs mostly are of sole proprietorship in India. Proprietorship ventures are popular because of lower initial investments and availability of tax incentives. A majority of women entrepreneurs in India are concentrated in the light manufacturing sector (leather, garments, engineering goods, beauty products). The second most common category is that of services (interior designing, management and placement, consultancy, nursery school). This is followed by the retail trade sector including boutiques, home furnishing, automobile dealing, etc. In the 1970s and 1980s women entrepreneurs were confined to "kitchen-enterprises" – the three Ps: pickle, powder (spices) and papad – or "soft" traditionally feminine enterprises, such as garments, beauty care, etc. However, from the 1990s and onwards, with increased levels of education, more women have opted for entrepreneurial careers in plastics, electronics and leather related industries. However, overall women entrepreneurs gravitate towards ventures with low investment and lesser technological barriers. Cultural and social traditions play a large role in determining who within a society becomes an entrepreneur. Social conditions in some societies inhibit women from starting their own businesses. For a female business owner, the process of starting and operating a new enterprise can be difficult because often they lack the skills, education, and support systems that can expedite their business pursuits. Women's motivations for starting a business are related to their need to be independent, achieve job satisfaction, attain personal accomplishment and fulfilment, be creative and economically self-sufficient.

**Categories of Women Entrepreneurship in India:**

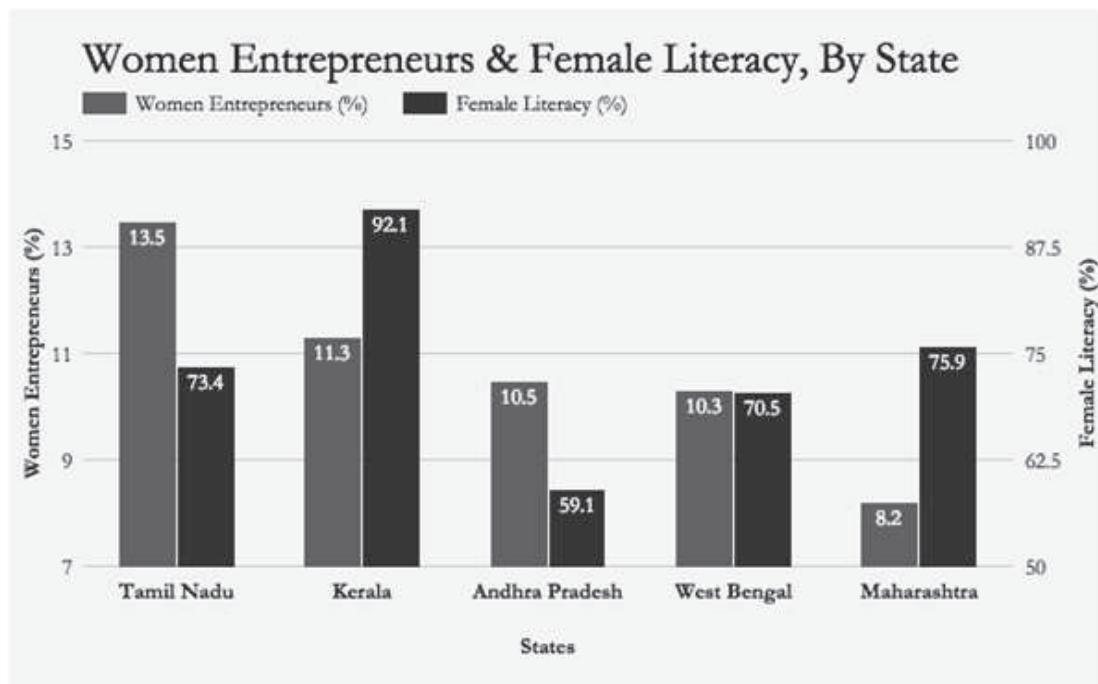
1. Women in organized and unorganized sector
2. Women in traditional and modern industries
3. Women in urban and rural areas
4. Women in large scale and small scale industries

### 5. Single woman and joint venture

India, which has the second largest population in world out of which 48.17 per cent are women, scored a lowly 41.7 points on the Human Development Index, which made it occupy the 49th rank among the 54 global economies that the index took into account.

The index explained India's poor performance by stating that the country presents much lesser opportunities to women to participate in the workforce, engage in entrepreneurial activities or even assume leadership roles in general.

The gender discrimination that often prevails at all levels in many societies impact the sphere of women in industry too, and a cumulative effect of psychological, social, economic and educational factors act as impediments to women entrepreneurs entering the mainstream



**Fig 1:** Women Entrepreneurs and Female Literacy , By State

**Source:** Economic Census 2012

**Table 1:** Numbers of Women Entrepreneurs Registered in India

Women Entrepreneurship States	No of Units Registered	No of Women Entrepreneurs	Percentage
Tamil Nadu	9,618	2,930	30.36
Uttar Pradesh	7,980	3,180	39.84
Kerala	5,487	2,135	38.91
Punjab	4,791	1,618	33.77
Maharashtra	4,339	1,394	32.12
Gujarat	3,872	1,538	39.72
Karnataka	3,822	1,026	26.84
Madhya Pradesh	2967	842	28.38
Other States and UTs	14,576	4,185	28.71
<b>TOTAL</b>	<b>57,452</b>	<b>18,848</b>	<b>32.82</b>

**Source:** Report of MSMEs, 12th Five year plan 2012-2017.

**Table 2:** Percentage Distribution of Enterprises by Gender of Owner in Rural and Urban Areas

AREA	FEMALE	MALE
Rural	15.27	84.73
Urban	12.45	87.55
All	13.72	86.28

**Source:** MSME annual report 2011-12, Ministry of MSME, Government of India

**Problems of Women Entrepreneurs in India:**

**Access to Finance:** Access to finance is a key issue for women. Accessing credit, particularly for starting an enterprise, is one of the major constraints faced by women entrepreneurs. Women often have fewer opportunities than men to gain access to credit for various reasons, including lack of collateral, an unwillingness to accept household assets as collateral and negative perceptions of female entrepreneurs by loan officers. Women, in particular the less educated ones, also find it more difficult to get financing from banks because they lack information on how to go about securing a loan. Moreover, bank managers are often more reluctant to lend to women than to men.

**Access to Markets:** The ability to tap into new markets requires expertise, knowledge and contacts. Women often lack access to training and experience in on how to participate in the market place and are therefore unable to market goods and services strategically. Thus, women-owned SMEs are often unable to take on both the production and marketing of their goods. In addition, they have often not been exposed to the international market, and therefore lack knowledge about what is internationally acceptable. The high cost of developing new business contacts and relationships in a new country or market is a big deterrent and obstacle for many SMEs, in particular women-owned businesses. Women may also fear or face prejudice or sexual harassment, and may be restricted in their ability to travel to make contacts.

**Access to Training:** Women have limited access to vocational and technical training in India. In fact, women on average have less access to education than men, and technical and vocational skills can only be developed on a strong foundation of basic primary and secondary education. India is characterized by low enrolment among women in education, high drop out rates and poor quality of education.

**Access to Networks:** Women have fewer business contacts, less knowledge of how to deal with the governmental bureaucracy and less bargaining power, all of which further limit their growth. Since most women entrepreneurs operate on a small scale, and are generally not members of professional organizations or part of other networks, they often find it difficult to access information. Most existing networks are male dominated and sometimes not particularly welcoming to women but prefer to be exclusive. Even when a woman does venture into these networks, her task is often difficult because most network activities take place after regular working hours.

**Access to Policymakers:** Most women have little access to policymakers or representation on policymaking bodies. Large companies and men can more easily influence policy and have access to policymakers, who are seen more as their peers. Women tend not to belong to, and even less reach leadership positions in, mainstream business organizations, limiting their input into policymaking through lobbying. Women's lack of access to information also limits their knowledgeable input into policymaking.

**Traditional Views on the Role of Women in the Society:** One characteristic that clearly distinguishes most businesswomen from their male counterparts is the added responsibility society often puts upon them in their roles as mothers and wives. The time taken up and the emotional burden created by these dual role responsibilities often interfere directly with the conduct of business for women.

The often prevailing attitude that the women's place is at home and that her first priority is to look after the home and family constrain many married Indian women from venturing into entrepreneurship.

**Conclusion and Recommendations:** The importance of women's entrepreneurship development focuses on women's development in general and their participation in income generating activities in particular, while it deserves a special consideration in rational development planning. Leaving the women, who comprise about half the total population, outside the purview of development, no nation can achieve any significant degree of success. India too needs to create a better environment for women entrepreneurs so that they can accomplish their goals.

#### **Suggestions to Overcome the Problems Faced By Women Entrepreneurs in India**

- a) *Foster Awareness and A Positive Image of Entrepreneurship among Women:* Efforts should be made to foster a greater awareness of the benefits of entrepreneurship among women. Governments should promote an entrepreneurial and risk-taking spirit, and eliminate the stigmas attached to failure. To this end, strong, positive female role models should be showcased to build self-confidence and encourage other women to consider becoming entrepreneurs.
- b) *Improve the Conditions for Women's Entrepreneurship:* Governments and institutions should work to improve the status of women in business and remove gender-related obstacles to entrepreneurship. They should work to improve their access to support services and seek measures which can lighten the double burden of professional and household responsibilities for women, in order to allow them to undertake entrepreneurial activities under conditions more similar to those of men, e.g., as regards inheritance and ownership and as well as access to finance.
- c) *Encourage entrepreneurship through the educational system:* The educational system should be mobilized as a vehicle to introduce boys and girls to entrepreneurial challenges and offer them equal opportunities to learn and cultivate their skills from an early age. To this end, teachers should be trained in teaching entrepreneurial skills and sensitized to the gender issues involved in education. Opportunities to encourage entrepreneurship through cooperation between government, business and NGOs in the field of education should also be explored. This should include efforts to identify the appropriate and most effective platforms for discussion, dissemination and action for enterprise education programmes. Governments can also partner with private companies and educational institutions to provide infrastructure and other support to ensure better access for women to technical education and skill acquisition. In addition, it should be ensured that promotional and information material, programme content, timing and location is adapted to women's educational and skill levels, as well as time and mobility constraints.
- d) *Teach entrepreneurship to women:* Management and technical training for women entrepreneurs should be easily accessible, inexpensive, and available on flexible terms, maximizing the opportunities offered by e-learning and new technologies for skill building. Public/private partnerships (i.e., government/universities/firms/NGOs, etc.) in this regard should be encouraged. Mentoring can also be an effective means of providing women entrepreneurs with one-on-one training, skills and guidance. In addition, good practices and female models of management should be shared and replicated where applicable.
- e) *Encourage financial intermediaries to take a leading role:* Banks and other financial intermediaries should be encouraged to undertake research to learn more about the characteristics, financial needs and performance of women-owned businesses, and to share this information with other financial institutions. They should also be encouraged to work towards equitable treatment of women business clients, through comprehensive gender awareness training for staff at all levels, and better representation of women in high-level and decision-making positions. Networks for investors and entrepreneurs should also be encouraged to spread information about equity finance and bring investors and business owners together. Women should be integrated in these networks, where their participation remains limited, and may also want to form their own networks to share information and experiences.



**Role of Government to Develop Women Entrepreneurs in India:****Trade Related Entrepreneurship Assistance and Development (TREAD) Scheme for Women:**

This scheme provides women with proper trade related training, information and counseling along with extension activities related to trades, products, services etc. Along with that, Government Grant also provides up to 30% of the total project cost as appraised by lending institutions which would finance the remaining 70% as loan assistance to applicant women. It mostly helps poor & usually illiterate/semi-literate women to get started on their business.

**Mahila Vikas Nidhi:** This fund has been set up by SIDBI to help women in rural area start their entrepreneurship easily. It grants loan to women are given to start their venture in the field like spinning, weaving, knitting, embroidery products, block printing, handlooms handicrafts, bamboo products etc.

**Co-operative Schemes:** Women co-operatives schemes were formed to help women in agro-based industries like dairy farming, poultry, animal husbandry, horticulture etc. with full financial support from the Government.

**Government Yojanas:** Swarna Jayanti Gram Swarozgar Yojana and Swarna Jayanti Sakshari Rozgar Yojana were two important schemes launched by the government to provide reservations for women and encouraging them to start their ventures

**The Association of Women Entrepreneurs of Karnataka (AWAKE):** The Association of Women Entrepreneurs of Karnataka (AWAKE), founded in 1983 in Bangalore, India, is one of the pioneers in the field of providing business development services. AWAKE's mission is "to empower women through Entrepreneurship Development to improve their economic condition." To achieve this mission, AWAKE conducts various activities, such as business counselling, entrepreneurship awareness, entrepreneurship development training, management development training, business incubator, etc.

With a membership base of about 700 women entrepreneurs, AWAKE promotes women entrepreneurship development to its clients through its various activities. It also supports policy advocacy, by being on the board of both national and international organizations, and on government small industries board and banks.

**Table 3:** Government Plan for the Growth of Women Entrepreneurship Through Five Year In India

Sl. No	Five Year Plan	Inspections on Women
1	First Five-Year Plan (1951-56)	visualized a number of welfare measures for women. Sets up the central and social welfare board for promoting welfare work
2	Second Five-Year Plan (1956-61)	supported the development of women to work at the grass roots
3	Third and Fourth FiveYear Plans (1961-66 and 1969-74)	supported female education as a major welfare measure
4	Fifth Five-Year Plan (1974-79)	emphasized training of women
5	Sixth Five-Year Plan (1980-85)	recognized women's lack of access to resources as a critical factor impeding their growth
6	Seventh Five-Year Plan (1985-90)	emphasized the need for gender equality
7	Eight Five-Year Plan (1992-97)	focused on empowering women, especially at the grass roots level
8	Ninth Five-Year Plan (1997-2002)	adopted a strategy of women's component plan
9	Tenth Five-Year Plan (2002-07)	aimed at empowering women)
10	Eleventh Five Year Plan	encouraged women in setting up their own ventures

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