STRATEGIES OF WOMEN ENTREPRENEURS IN ECONOMIC DEVELOPMENT

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ABSTRACT

It is a common assumption that majority of women in India are economically non-productive as they are not involved in activities that are financially remunerative. But this trend is gradually changing. Women across regions have started showing interests to be economically independent. Interested women with creative and innovative ideas are coming forward to start the small and medium sized enterprises. They are ready to gain experiences, willing to work hard in a supportive environment. Establishment of such enterprises through the initiatives of the women depends upon a number of factors. The experiences of the existing women entrepreneurs can facilitate the aspiring ones to overcome the hurdles. The socialization process, the cultural practices in specific regions, the influencing condition, the support system, the past experiences of other entrepreneurs and many such factors play a role in the making of women entrepreneurs.

Keywords: Women, SME, entrepreneurs, socio-economic

INTRODUCTION

Yet the potentiality and talent among the women is not identified adequately with only about ten percent of the women being entrepreneurs in some of the developing countries including India. At this critical juncture when the job market is down; these aspiring women entrepreneurs can be encouraged to set up the enterprises so that, apart from being independent they can employ people in their workforce. In the long run, these women can be the backbone of the regional as well as national economy.

An attempt to understand the issues and initiatives in developing the entrepreneurship among women in India. For clarity and notwithstanding the broad theme, the paper is divided into few relevant sections. In section two, there is discussion on the importance of small and medium sized enterprises and how these sectors have played a crucial role in women’s empowerment. The impact of globalization and use of local resources is included in this section. Section three is about the women entrepreneurs in India with a focus on both rural and urban women. The various problems and issues confronted by the women entrepreneurs are the other areas of discussion in this section. Strategies for strengthening women entrepreneurship is the focus of the next section. Appropriate training interventions and creation of market opportunities through community participation is discussed as sub sections of strategies. The last section of the paper is a discussion on the relevant
policy issues. On the whole the paper would carry on the discussion that entrepreneurship among women has tremendous positive implications to empower them and contribute to economic transformation in the society.

1. The significance of SMEs in the Present Scenario: Small and medium size enterprises in today’s context are the principal driving forces in development of economy especially in third world countries. These SMEs encourage the skill of entrepreneurship and can adapt to the requirement of the market, act appropriately in the changing market with regard to demand and supply situations. A large number of employment opportunities are created through the diversification of economic activities. The contribution is also significant in the sphere of trade and exports. The developing countries with transitional economy have acknowledged the importance of SMEs for creating an environment of industrial restructuring and formulation of favourable national policies.

SMEs are defined in both qualitative and quantitative ways. One should not only consider strictly the number of employees in a particular enterprise. The capacity to create jobs at lower cost, low capital to labour ratio considering the local demand of need based commodities are the criteria need to be considered with importance. Another important characteristic is that the wide spread ownership of small enterprises that can provide more accessibility and equitable distribution of income. After the liberalization process one notices the considerable increase of micro enterprises that operates mainly in the informal sector. It is important to understand the entrepreneur as the change agent, the qualities i.e. entrepreneurship and the process of intervention i.e. entrepreneurial activities. At the moment, many developing countries are experiencing a state of transition (Hisrich and Peters, 2000).There is a constant attempt to move from an integrated and inward looking local economy to a surplus seeking and market driven economy. This kind of orientation is getting intervened through the emergence of a number of small and medium sized enterprises.

1.1 Impact of Globalization on the future of SMEs: Globalization is broadly understood in economic sense as movement of capital, products, adoption of new technology and skill based people. It is a process of opening up of the domestic economy and integrating it with the global economy. There is encouragement for privatization supported by technological advancement. The vulnerability of small-scale industries is quite high during the era of globalization. The mushrooming growth of entrepreneurial activities in different areas is mostly oriented towards trade rather than industry. The domestic markets in many developing countries are becoming more liberalized. The customers, especially in the post liberal period are showing more interest for western consumer goods irrespective of the quality and durability. It is a challenge for the SMEs to confront the external forces especially during the post-liberal period.

1.2 Use of local Resources for promoting SMEs: For the economic growth and development of any region a number of factors have to work simultaneously. In developing country context, the human, physical or environmental and financial resources have to function effectively for the growth of any enterprise. The abundance of natural resources is not enough to provide economic growth unless it is exploited appropriately through human resources which include both women and men. In a country like India, there is no dearth of natural resources but the entrepreneurial skill needs to be developed further. The local resources need to be used and exploited in an appropriate enterprising environment that can further raise the socio-economic status of the community.

2. Women Entrepreneurs in India: The myth that women being economically non-productive; can be challenged through a support system, which encourages women entrepreneurs (Carin, 1997). At this critical juncture when the job market is down these aspiring women entrepreneurs can be encouraged to set up the enterprises so that, they can absorb people in their workforce. Establishment
of the small-scale enterprises through the initiatives of the women depends upon a number of factors. In this connection one needs to gain ideas on the existing women entrepreneurs. The experiences of the existing women entrepreneurs can facilitate the upcoming women entrepreneurs to overcome the hurdles. There should be efforts from all sectors to encourage the economic participation of women. Along with adequate training, institutional and financial support as a composite package needs to be encouraged. The role of the women needs to be broadened which is beyond the household responsibility. There are certainly a large number of unexplored areas where women can be placed as entrepreneurs.

2.1 Rural Women: The reflection on the economic history of India has immensely relied on the textile and cottage industries. Each culture to a large extent depends upon the art and craft of the region. The process of empowerment has largely ignored the significant contribution made by the rural artisans and women (Chadha and Sahu, 2002). Through the promotion of cottage industries, not only the rural people can earn their livelihood, it also can give them a sense of satisfaction. The need of the present day is to encourage the entrepreneurial qualities of the rural women, which in turn can take care of the need of the family.

To encourage the rural based micro enterprises various programmes and schemes have been introduced through Government initiatives. Some of the prominent schemes are Integrated Rural Development Programme (IRDP), Training Youth for Self Employment (TRYSEM), Prime Minister’s Rojagar Yojana (PMRY), Development of Women and Children in Rural areas (DWCRA). The objective is to eradicate poverty through entrepreneurial initiatives.

2.2 Urban Sector and entrepreneurial opportunities for women:  There have been drastic transformations in the post liberal period. Many urban women are looking out for career options in non-traditional sectors. For instance the IT sector has become one of the preferred choices. Apart from garment industries, women are predominantly found in manufacturing units dealing with design accessories and cosmetics etc. In educational and health sectors, counseling services are mostly provided by women. Many urban women are also opting for setting up hotel industries. There is a gradual shift from family business to independent business ownership. But these women are limited in number from specific class background. There is still a long way to go for encouraging more number of women to be entrepreneurs.

The establishment of small enterprises can solve the problems of unplanned urbanization. The migrant population from rural areas resulting the over population in the urban areas can be controlled considerably. The stratification pattern and the income gap between the employers and the employees are not very prominent and clear in small industrial units. Women need not be always the part of the organized labour-force in most of the urban areas. The future is awaited where women can venture into so called male-dominated areas. Larger participation of women needs to be encouraged through strategic planning and interventions.
2.3 Problem of women entrepreneurs in India: Many women entrepreneurs engaged in large, small or micro enterprises do not participate in the business circles and isolated in both formal and informal sectors. Many trade organizations such as ministries, chambers of commerce, export programmes, associations; don’t reach out specifically to women, expecting women’s organizations to bridge the gap. They are not aware of the availability of existing support system catering to the gender specific needs. For example, many women entrepreneurs work in the services sector, while export assistance tends to focus on the matter related to trades and export. Cultural traditions can also hold women back from playing a more prominent role in economic life (Ganesan et al, 2002; Singh, 1993). This can take the form of informal dissuasion from working outside the home. The laws in many instances inhibit women from inheriting property and do not facilitate them in taking up even the smallest business activities.

From many evidences, both at micro and macro level it is clear that when women have the opportunity to develop their businesses, the community and the society at large can benefit tremendously. Many women are not just businesswomen, but “social entrepreneurs” as well. Through their experiences, they prove that a commitment to development goes hand-in-hand with their drive for growth. It makes good business sense and good development sense to encourage women to build their businesses.

3. Strategies for strengthening women entrepreneurs: In the era of privatization of enterprises women are, to a large extent, excluded from holding properties. There is also considerable increase in the number of unemployed women because of the illiteracy and the lack of exposure to skill based education. Women do not have adequate financial and legal knowledge in starting the enterprise. There is hardly any sustainable system to monitor and encourage the participation of women in business. There is a need to integrate gender perspective in data collection and analysis. There should be schemes and programmes at national and international level to promote women entrepreneurs.

It is the need of the hour to encourage the women entrepreneurs to start their own enterprises. In this connection, networking is a positive step. Businesswomen’s groups in membership drive for chambers of commerce, and trade and professional associations can be targeted. Networking between government officials, international experts and women entrepreneurs can be strengthened. Businesswomen’s groups can be brought together to enhance communication and cooperation on trade issues. To encourage the women who are initiating business, cases of successful women entrepreneurs can be highlighted or publicized. The grooming and successful women entrepreneurs can be awarded through felicitation function. Most important area is to identify the gender-specific needs for extending the support to the upcoming women entrepreneurs.

3.1 Appropriate Training Interventions: Entrepreneurs are not born. Women with potentialities and innovative ideas need to be encouraged and supported for skill development. The initiation of any economic activity requires proper guidance and motivation. Whether it is in rural or urban context, creation of entrepreneurial environment is one of the key factors.

The competitiveness because of the global forces and the consequent technological development has put paramount importance on the production process to be more knowledge and capital intensive. This trend is witnessing the limited job opportunities among the unskilled and semiskilled labour force. There have been pressures to adopt the downsizing policies through mergers, adoption of new technology and other restructuring policies. The future of the industrial employees depends to a large extent on the professional skill development through proper training interventions (Dumas, 2001). It is very important to intensify the process of entrepreneurship through different mediums.
Entrepreneurship awareness training could be the first step for encouraging the unemployed mass, those who are looking for directions (Choudhary, 1995).

3.2. Creating Market Opportunities: Entrepreneurial farms are crucial in defining the market economies. The market forces are never static, rather always in the process of change. The entrepreneurs will have to adjust and cope with the changing situation. One of the major problems for women entrepreneurs is marketing. At the initial stages women prefer to be involved in the programmes that ensure almost total marketing support, since they are not confident enough to look for markets. They may take the major responsibilities of the enterprise, but marketing the products remains at the peripheral level of the priority. Marketing involves not just the entrepreneur’s skill, but mobility with flexible timing, self confidence and positive attitudes from the family members are all important factors in dealing with the external world. Women have been discouraged to take up the challenging task of marketing in many instances.

Finance: The finance to start an enterprise and the related facilities like land, building, other infrastructure is often restricted that add on to the problems of women entrepreneurs. Women face constraints for receiving funds for specific activities especially that are considered as male’s domain. The field of marketing provides an example. For instance in the field of marketing though women are competent enough to establish the rapport with the customers, are not encouraged to do so. Women entrepreneurs irrespective of their income level can be engaged in marketing activities for selling the small and more expensive items. Marketing is considered as one of the important activities as it involves the financial matter and can affect the future of the enterprise. In this area the women’s role is very marginal. There is no proper mechanism or institutional initiatives to make this sector more gender neutral.

3.3 Community Participation in helping the marketing Strategy: Each region has its own set of products that are manufactured using indigenous skills. Most of these products are made with locally available materials and the skills, which may not be found in other areas. In many places, the major limitation is that the producers are dependent on middle persons for marketing their produce outside their local area. This reduces the community’s earnings even though their products are of very good quality. The other related problem is that the cultural system in many regions has been practiced in such a way that there is limited mobility for the women. Because of such cultural expectation women are hardly allowed to go out of the house to sell their products to the public. Due to this the skilled women workers are discouraged from making use of their creative and entrepreneurial skills. In such situation CBOs can help in marketing the products.

4. CONCLUSION

Entrepreneurial activity does not only include the initiation of the enterprise, the promotion and the maintenance of economic growth also needs to be considered with equal importance. It is important for the State and Central Governments to encourage the innovative small-scale businesses. The potential women entrepreneurs need to be trained and inspired to set up the enterprises with the strength of knowledge and information, capital and technology, market and demand, as well as labour and skills. The individual initiative is no doubt important. At the same time the outcome of any enterprise, be at the micro or the macro level depends upon the enterprising spirit of the nation. The state should extend its support to overcome many formalities required for starting an enterprise. Knowing the importance of micro-enterprises for the economic growth, the state should gear up to include special policies and formulate specific targets for the industrial sectors’ contribution in employment generation. The state should contribute in rebuilding the existing small and specifically the sick industries to overcome the financial burden. Adequate technical and managerial support needs to be provided for the very survival of enterprises that are utilizing the local resources.
Strengthening of the micro enterprises not only help in economic growth, it also contributes the proper utilization of the local resources.

REFERENCES