



Impediments to and Drivers of Female Entrepreneurship in India's Small-Scale Industrial Sector

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Abstract

Advancing women's economic and social standing is crucial to a nation's and society's economic growth as a whole. Small-scale women entrepreneurs play a crucial role in the long-term prosperity of any country. Women in India are still fighting for equal rights and the freedom to start businesses, even after 70 years of independence. Aiding economic growth by empowering women is a powerful instrument in the fight against discrimination, poverty, and other issues women face. The global shift in attitudes has made it increasingly acceptable to recognize women's leadership roles in most spheres of life. Opportunities for women entrepreneurs to showcase their talents and dedication have increased significantly as the service industry has grown. Thus, the current study seeks to analyze the factors responsible for women's entrepreneurship development and investigate the factors that influence women to start businesses by looking at their demographic profile in the small-scale sector in the East Godavari district of Andhra Pradesh, India.

Key words: SHG; Empowerment; MSME; Employment; Demography; Self-Help Group.

Introduction

The economic development process may be aided by empowering women, who face unique challenges such as poverty, unemployment, gender prejudice, etc. This idea is being tested widely by numerous countries, with promising outcomes thus far. Prosperity spreads from an empowered woman's family and society to the cosmos as a whole. The Grameen Bank (1975) established by Mohammad Yunus in Bangladesh served as an example of economic success throughout the globe. The advantages of a well-designed microfinance program may be a powerful instrument in the hands of policymakers seeking to advance women's economic independence. The education, income, health, relationships, and participation in government are all parts of women's empowerment. This was made possible thanks to the efforts of several groups, including the government, nonprofits, and individual women.

Women Empowerment in India

In India, women comprise about nearly 30 percent of corporate senior management positions, which is remarkably higher than the global average (24 percent). But in the total workforce, India is one of the worst countries in the world – 113th out of 135 – when it comes to the gender gap and women entrepreneurs constitute only 10 percent of the total number of entrepreneurs in the country.

The present paradigm of empowerment of women is not a woman in development but a gender and development. The women in development paradigm assumes that they have been left out in development process and hence need to be integrated to give benefit, gender and development paradigm recognizes women's triple role i.e. in reproduction, production and community management. Therefore, the main objectives of development programs in this context be categorized as (i) initiate income generating programs;

(ii) sensitize women about their rights, entitlements, and legal framework; and

(iii) take up capacity building measures.

It is seen that gender inequality retards economic growth. There is growing evidence to suggest that several aspects of gender relations, the gender-based division of labor, disparities between males and females in power and resources, and gender biases in rights and entitlements act. It is commonly held that, investments in female education and health tend to increase the incomes of families; educated women who know more about health and hygiene, are also able to practice this knowledge; better educated women can adopt newer technologies, hold on to new opportunities, and cope us with economic shocks.ⁱⁱⁱ

Empowerment Approach

The empowerment approach arises from a strong commitment to women's rights and capacity to make their own decisions about development strategies, under the credit for intermediation, provide women the opportunity to acquire the ability and entitlement to their own lives, set their own agenda, gain skills, solve problems and develop autonomy. Significantly, the member of SHG's may exhibit the following outputs, resulting from their activities; (i) acquisition of literacy and numerically skills;

- (ii) awareness of basic legal rights;
- (iii) awareness of projects and state development activities;
- (iv) critical political consciousness; electoral process, societal analysis and gender issues;
- (v) enhanced social status as perceived by self and other's;
- (vi) freedom from exploitation, money lenders, landlords etc;
- (vii) active role in organization of group and other political bodies, viz. Panchayat;
- (viii) ensuring literacy and education of girl child;
- (ix) health consciousness;
- (x) restructuring of women's time utilization; and
- (xi) enhanced decision-making powers within the household.^{iv}

Micro, Small and Medium Enterprises

Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. MSMEs not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural and backward areas, thereby, reducing regional imbalances, assuring more equitable distribution of national income and wealth. MSMEs are complementary to large industries as ancillary units, and this sector contributes enormously to the socio-economic development of the country.

The Micro; Small and Medium Enterprises Development (MSMED) Act was notified in 2006 to address policy issues affecting MSMEs as well as the coverage and investment ceiling of the sector. The Act seeks to facilitate the development of these enterprises as also enhance their competitiveness. It provides the first-ever legal framework for recognition of the concept of "enterprise" which comprises both manufacturing and service entities.^v It defines medium enterprises for the first time and seeks to integrate the three tiers of these enterprises, namely, micro, small and medium. The Act also provides for a statutory consultative mechanism at the national level with balanced representation of all sections of stakeholders, particularly the three classes of enterprises; and with a wide range of advisory functions. Establishment of specific funds for the promotion, development and enhancing competitiveness of these enterprises, notification of schemes/programs for this purpose, progressive credit policies and practices, preference in Government procurements to products and services of the micro and small enterprises, more effective mechanisms for mitigating the problems of delayed payments to micro and small enterprises and assurance of a scheme for easing the closure of business by these enterprises are some of the other features of the Act.

Micro, Small and Medium Enterprises (MSME) contribute nearly 8 per cent of the country's GDP, 45 per cent of the manufacturing output and 40 per cent of the exports. This sector provides a high level of employment opportunities after agriculture. They are the nurseries for entrepreneurship and innovation. They are widely dispersed across the country and produce a diverse range of products and services to meet the needs of the local markets, the global market, and the national and international value chains.

Government Policy towards Women Empowerment in India

The phrases "gender equality" and "women's empowerment" have become trendy, although they may be interpreted in numerous ways depending on one's sociopolitical viewpoint. Government policy, non-government lobbying, the media, and academic research have all given the discourse of gender parity and women's empowerment a prominent position. Local, national, and worldwide discussions on women are all guided by the concepts of women's empowerment and gender equality. The action plan, as recommended by international conference on Population and Development at Cairo (1992), included:

- (i) establishing mechanism for women's equal participation and equitable representation at all levels of the political process; (ii) promoting the fulfillment of women's potentials through education, skills development and employment, giving paramount importance to the elimination of poverty, illiteracy and ill-health among women;
- (ii) (iii) eliminating all practices that discriminate amongst women and assisting them to establish and realize their right;
- (iii) (iv) adopting measures to improve women's ability to earn income beyond traditional occupations, achieve economic self-reliance and ensure their equal access to the labour market and social security systems; (v) eliminating violence against women;

- (iv) (vi) eliminatory practices by employers against women;
- (v) (vii) making it possible through laws, regulations and other appropriate measures for women to combine the roles of child-bearing, breast-feeding, and child-rearing with participation in the workforce;
- (vi) (vii) strengthening policies and programs that improve, ensure and broaden the participation of women in all spheres of life as equal partners and improve their access to all resources needed for the full exercise of their fundamental rights.^{ix}

In order for women to fight for equality and justice, they need to be able to support themselves. The ability to exercise legal protections depends on a woman's economic standing. Therefore, it is important to fight for women's full and equal involvement alongside men in all areas of work, including full and equal access to all places of employment, full and equal possibilities for training connected to work, and full and equal protection for women in the workplace. Programs aimed at reducing female poverty, which includes economic empowerment, should prioritize the identification, development, and promotion of alternative strategies to expand women's access to and control over the means of generating a livelihood. It requires helping them out financially.

existing livelihood, widening choices and building capacity to take advantage of new economic opportunities. It strategies to advocate that the government undertakes legislative measures to speed up women's participation in economic life, including the right to equality in property ownership and inheritance and access to credit, financial service and assistance in entrepreneurial development.^x

Objectives

- To examine the demographic profile of women entrepreneurs in the small-scale sector in East Godavari district, Andhra Pradesh, India.
- To know the type of reasons to start the business.
- To dwell out the problems and prospects of women entrepreneurs in East Godavari District.

Methodology

To pursue the objectives mentioned above, data from both primary and secondary sources were necessary. The secondary data were collected from the records of SME reports of Government of India through online. Primary data was collected from the sample of women entrepreneurs in East Godavari District.

Area of the study and sample selection: The area covered for the collection of Primary data is restricted to East Godavari District only. A sample survey was taken up a sample of 300 women entrepreneurs were selected and using convenience sampling method. A structured questionnaire was designed to elicit information from the sample respondents on various issues related to SME's. The researchers conducted personal interviews with women entrepreneurs at the time and place convenient to them. Adequate care was taken to minimize field errors. SPSS is used for data analysis.

Respondents' Demographic Profile

Frequency distribution profile of respondents showed that majority of the respondents (more than 50 per cent) fall in the age range between 31 to 40 years of age (Table 1). The educational background of the respondents revealed that a little over 52 per cent of the respondents were having only Primary education qualifications; whereas about 34.7 per cent of the respondents were have Secondary education. About 53 per cent of the respondents were belongs to Forward community and only 2.7 per cent of the respondents representing Schedule Tribe community. The annual income of the respondents varied between below ₹1,00,000 and above ₹ 5,00,000. Majority of the respondents (56.7 per cent) earned income between 11,00,000 to ₹2,50,000 per month. Only 25 respondents' annual income was more than ₹5,00,000 per annum representing 8.3 per cent of the total. Further insight into the table, 94.6 per cent of the respondents' are married and only 1.4 per cent of the respondents either widows or divorced. Further enquired about their type of family, 68.3 per cent of the respondents' family type is nuclear and rest of the women's family type is joint family.

Experience is an important factor that determines the level of an employee on the job. It affects both the living and general

conditions of life. Table 2 presents data on the experience of the respondents in all the sectors (Micro Small and Medium Enterprises). According to the table, about 47 per cent of the respondents have their experience running from 6-10 years. A significant number of respondents experience is below 5 years and this group represents 34.3 per cent of the total. As many as 6.7 per cent of the respondents have more than 20 years of experience in this field. It is a good sign for developing of women empowerment in East Godavari representation.

Table 2: Length of Experience

(n=300)

Particulars	No. of Respondents	Percentage
<5 Years	103	34.3
6-10 Years	141	47.0
11-15 Years	20	6.7
16-20 Years	16	5.3
>20 Years	20	6.7

Source: Primary Data

Nature of business is an important factor to identify the manufacturing or service sectors. It may influence the attitude of women entrepreneur. The details presented in Figure 1 shows that the nature of business of the respondents. About 53 per cent of the respondents belongs to service oriented businesses and the remaining 47 per cent are belongs to manufacturing oriented entrepreneur.

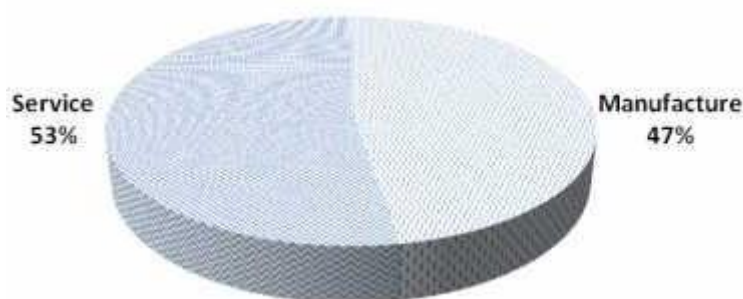


Figure 1: Nature of Business

Figure 2 explains the type of organization is operated by entrepreneur. As many as 78 per cent of the respondents are operating their business under sole proprietorship and 17 per cent of the respondents are operating partnership business. Only 5 per cent entrepreneurs are registered their firms under the Company's Act 1956 as Pvt. Ltd. Company and operating their business.

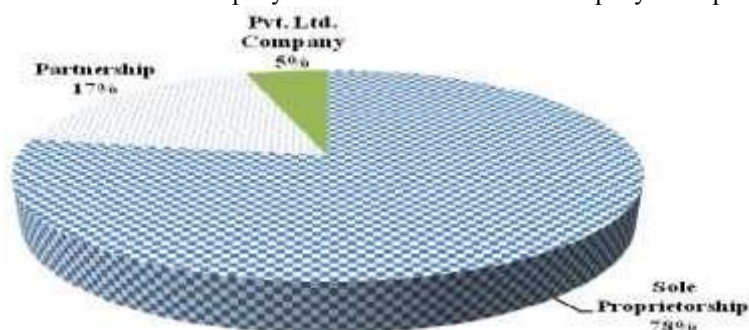


Figure 2: Type of Organization

Table 3 reveals the information about reasons to start the business. A little over 36 per cent of the respondents opined that they start their business by interest and the same level of respondents started their business with the interest of support to the family. About 13 per cent of the respondents' motivation factor to start the business is government subsidy. Livelihood and support to economy are the other tested factors in this category and these two factors are least motivating factors for the respondents.

Table 3: Reasons to start the firm

(n=300)

Particulars	Annual Income (₹)				Total
	<1,00,000	1,00,000 - 2,50,000	2,50,000 - 5,00,000	> 5,00,000	
Govt. Subsidy	4 (1.3)	21 (7.0)	8 (2.7)	6 (2.0)	39 (13.0)
Livelihood	2 (0.7)	12 (4.0)	4 (1.3)	3 (1.0)	21 (7.0)
Support to Family	9 (3.0)	67 (22.3)	24 (8.0)	8 (2.7)	108 (36.0)
By Interest	12 (4.0)	62 (20.7)	30 (10.0)	6 (2.0)	110 (36.7)
To develop economy	4 (1.3)	8 (2.7)	8 (2.7)	2 (0.7)	22 (7.3)

Source: Primary Data, Figures in parenthesis indicate percentage to the total.

As many as 66 per cent of the respondents were not aware of the schemes designed by the Government to support the Small Scale Industries, whereas 34 per cent of the respondents have idea about the schemes offered by the Government for this sector (Table 4). It indicates that the majority of respondents are not aware the benefits provided by the government.

Table 4: Do you know the Schemes designed by the Government to support the Small Scale Industries (n=300)

Particulars	Annual Income(₹)				Total
	<1,00,000	1,00,000 - 2,50,000	2,50,000 - 5,00,000	> 5,00,000	
Yes	11 (3.7)	60 (20.0)	21 (7.0)	10 (3.3)	102 (34.0)
No	20 (6.7)	110 (36.7)	53 (17.7)	15 (5.0)	198 (66.0)

Source: Primary Data, Figures in parenthesis indicate percentage to the total.

The statement 'Have you utilized Government training program(s)', out of the total, 70.7 per cent of the respondents were not agreed to the statement and only 29.7 per cent of the respondents were agreed to the statement (Table 5). Further look into the table, the annual income group of ₹1,00,000 to ₹2,50,000 entrepreneurs (48 respondents) are utilizing the services of Government. The Table 4 and Table 5 are indicates that majority of the respondents may not aware about government services that are provided to entrepreneurship development.

Table 5: Have you utilized Government training program(s)?

(n=300)

Particulars	Annual Income (₹)				Total
	<1,00,000	1,00,000 - 2,50,000	2,50,000 - 5,00,000	> 5,00,000	
Yes	10 (3.3)	48 (16.0)	23 (7.7)	8 (2.7)	89 (29.7)
No	21 (7.0)	122 (40.7)	51 (17.0)	17 (5.7)	211 (70.3)

Source: Primary Data, Figures in parenthesis indicate percentage to the total.

Respondents opinion on ‘Support given by the Government ‘derails are presented in Table 6. The support includes finance assistance, infrastructural support, training to employees, clearances, etc. About 40 per cent of the respondents opined that the support extended by the Government to women entrepreneurs is average. As many as 32 per cent of the respondents opined that the support of the Government either poor or very poor for women entrepreneurs. Only 10.7 per cent of the respondents opined that the government support is very good to women entrepreneurs. Further look into the table, 20.7 per cent of the respondents said that the support from the Government is average from the group of annual income ₹1,00,000 to 2,50,000.

Table 6: Support given by Government

(n=300)

Particulars	Annual Income (₹)				Total
	< 1,00,000	1,00,000 - 2,50,000	2,50,000 - 5,00,000	> 5,00,000	
Very good	1 (0.3)	20 (6.7)	7 (2.3)	4 (1.3)	32 (10.7)
Good	5 (1.7)	30 (10.0)	13 (4.3)	4 (1.3)	52 (17.3)
Average	12 (4.0)	62 (20.7)	34 (11.3)	12 (4.0)	120 (40.0)
Poor	8 (2.7)	39 (13.0)	14 (4.7)	5 (1.7)	66 (22.0)
Very Poor	5 (1.7)	19 (6.3)	6 (2.0)	-	30 (10.0)

Source: Primary Data, Figures in parenthesis indicate percentage to the total.

The data presented in Table 7 related to problems faced by entrepreneurs. As many as 29 per cent of the respondents are facing the problem with finance and availability of skilled employee and competition are the other factors severely affects the business of the respondents. Further examine the table, annual income group of ₹1,00,000 to ₹2,50,000 are facing problems with finance more.

Table 7: Problems faced by entrepreneurs

(n=300)

Particulars	Annual Income (₹)				Total
	<1,00,000	1,00,000 - 2,50,000	2,50,000 - 5,00,000	> 5,00,000	
Finance	8 (2.7)	56 (18.7)	19 (6.3)	4 (1.3)	87 (29.0)
Employees	7 (2.3)	35 (11.7)	22 (7.3)	3 (1.0)	67 (22.3)
Raw Material	4 (1.3)	18 (6.0)	9 (3.0)	3 (1.0)	34 (11.3)
Transportation	5 (1.7)	24 (8.0)	9 (3.0)	6 (2.0)	44 (14.7)
Competition	7 (2.3)	37 (12.3)	15 (5.0)	9 (3.0)	68 (22.7)

Source: Primary Data , Figures in parenthesis indicate percentage to the total.

The details of employment provided by the women entrepreneurs are presented in Table 8. Majority of the entrepreneur firms (76.7 per cent) are having below 50 employees. Only one per cent of the entrepreneur firms provided more than 200 employment. About 44 per cent of the respondents who are belongs to the annual income group of ₹1,00,000 to ₹2,50,000 are providing below 50 jobs in their organization. The results shows that the entrepreneur firms providing below 50 jobs in their organization because of the size.

Table 8: How much employment are you providing?

(n=300)

Particulars	Annual Income (₹)				Total
	<1,00,000	1,00,000 - 2,50,000	2,50,000 - 5,00,000	> 5,00,000	
< 50 members	26 (8.7)	132 (44.0)	53 (17.7)	19 (6.3)	230 (76.7)
50 - 100 members	5 (1.7)	32 (10.7)	16 (5.3)	6 (2.0)	59 (19.7)
100 - 200 members	-	3 (1.0)	5 (1.7)	-	8 (2.7)
>200 members	-	3 (1.0)	-	-	3 (1.0)

Source: Primary Data, Figures in parenthesis indicate percentage to the total.

Findings of the study

More than half of the respondents' age group is 31 years to 40 years. About 52.3 per cent of the respondents having only primary education and majority of the respondents are belong to forward community group. Nearly 57 per cent of the respondents are fall in ₹1,00,000 to ₹2,50,000 annual income group. Married women and nuclear family type respondents are dominating the remaining areas in the study. Majority of the respondents' length of experience is 6 years to 10 years. Most of the firms in this study are fall in services sector and common respondents are belongs to sole proprietorship. Own interest is the motivating factor to start the business. Government support is very less to operate the firm in terms of finance support or training to the employees of organization. Majority of the respondents are facing the problem with fiancé and the other important problems are competition in the field and skilled employee availability. Most of the respondents opined that Government support is average.

Conclusion

As a developing nation, India uses a hybrid economic model. Women are often seen as socially and economically reliant on males in India's patriarchal society. Women business owners have the basic indigenous knowledge, skills, potential, and resources to set up and manage an enterprise, but they also face many obstacles, such as a lack of education, social barriers, legal formalities, high production costs, a male-dominated society, a lack of managerial ability, a lack of self-confidence, harassment, and a failure to comply with rules and regulations. India's most prominent businesswomen provide an excellent example for the rest of the world. The government has many programs set up to help women business owners with the money they received as part of the five year plans. Women have the potential and determination to set up, maintain, and supervise their own enterprise in a very systematic manner, and with the right kind of support and encouragement from society, family, and government, they can become a part of the mainstream of the national economy and help advance India's economy. The government has created various programs to aid women in business, but just a small percentage of women in business really know about them. For this reason, the government should take the lead in publicizing the many programmes that are accessible to female business owners.

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