

A Theoretical Perspective of Women Entrepreneurship

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Abstract

A country's attitudes toward entrepreneurship has influence on individuals to take up entrepreneurship. It influences the ability of the entrepreneurs to recover from business setbacks and supports an individual when starting up a new business. While it is difficult to measure the entrepreneurial attitudes positive attitudes toward entrepreneurship are found to correlate with high levels of entrepreneurship. If entrepreneurs possess high status in the society, entrepreneurship can be inspirational and when entrepreneurship is recognized as a good career option with good returns, then more people in the country would take up entrepreneurship.

Keywords:-Women entrepreneurship, economy, business

Introduction

The word entrepreneur is originated from the French word “entreprendre” which means, “to undertake”. The Frenchmen who organized and led military expeditions in the early 16th century was called as “entrepreneur”.

An entrepreneur is a person who is engaged in production activities and makes certain payments to owners of production in factories in expectation of uncertain receipts and is bearing non-insurable risks¹. An entrepreneur is one who uses innovation to maximize his profits. He also uses Innovations for solving the problems, to grab the opportunities present in the market and to face the challenges in the market.² The New Encyclopedia Britannica considers an entrepreneur as “an individual who bears the risk of operating a business in the face of uncertainty about future conditions”.

In 1934, Schumpeter³ added a new dimension to the entrepreneur and he defined the entrepreneur in an advanced economy as “an individual who introduces innovative goods and services in the economy –produces goods and services which were not present earlier, a new product, a new raw material or of creation of new markets”. According to Schumpeter an entrepreneur is a leader who gets sense of contentment when he converts his challenges into opportunities.

Entrepreneurship

Entrepreneurship means selling up of new enterprises in the society and is a dynamic function of the individual, socio - cultural factors, support systems and the environment.³ where Innovation is considered as a reward, which can be learned and practiced. Entrepreneur is one who makes use of basic management concepts and techniques to solve new problems and make use of opportunities⁴. Entrepreneurship is a skill, which can be used to

achieve greater heights in business. Entrepreneurs must possess the required qualities – such as, to innovate and start a new enterprise, accept the challenges and bear the risk⁶.

There will be demand for 600 million jobs by 2025 in the world, to provide employment for the eligible workforce. Start-ups are generating more than 70-90% of all new jobs. Entrepreneurship provides a better answer for facing this great challenge. To meet this demand, every nation must ensure and provide good opportunity for women entrepreneurs to start and grow their businesses to the same level as their male counterparts.

Entrepreneurial attitudes

A Nation's attitude towards entrepreneurship has huge influence on individuals to take up entrepreneurship. It influences the ability of the entrepreneurs to recover from business setbacks and supports an individual when starting up a new business. While it is not easy to measure the entrepreneurial attitudes positive attitudes toward entrepreneurship are found to correlate with high levels of entrepreneurship. If entrepreneurs possess high status in the society, entrepreneurship can be inspirational and when entrepreneurship is recognized as a good career option with good returns, then more people in the country would take up entrepreneurship. Attitudes toward entrepreneurship is influenced by the cultural and historical factors.

Entrepreneurial abilities

It refers to the nature of the entrepreneurs. For starting up of new businesses different types of entrepreneurial abilities are needed. Floating new businesses may be not the same for everybody. It also differs according to the type of the industry and according to the type of organization. Also, the entrepreneurial abilities are influenced by the demographic factors such as age, education and employment opportunities. It is a general belief that those who are 'pulled into entrepreneurship' otherwise called as 'opportunity motivation' who show s better planning, makes use of more sophisticated strategy, and has high level of growth expectations than those who are 'pushed into entrepreneurship' also called as "necessity" motivation in starting up of businesses.

Entrepreneurial aspiration

Refers to the motivation for starting up a new business. Some may take-up entrepreneurship to be their own boss, while some have a great drive to create history in their field of interest. "Entrepreneurial aspiration is defined as entrepreneur's effort to introduce new products and/or services, develop new production processes, enter into new foreign markets, increase the company's employees, and finance their business with formal and/or informal venture capital. Product and process innovation, internationalization, and high growth are considered the key characteristics of entrepreneurship". (GEI,2016)

Role of Entrepreneurship in the Economy:

An entrepreneur who introduces 'new combinations of means of production' plays a vital role in the economy by optimistically changes the economy by way of innovation — or 'creative changes' — and thereby becomes an agent of change in the society. Therefore, the 'ever changing environment' created by an entrepreneur who is continuously engaged in innovation could bring positive changes such as:

- a. increase in the opportunities for employment
- b. creation of more wealth;

- c. creation of new methods and technology; and
- d. economic growth.

The significance and importance of Entrepreneurship lies in the creation of more wealth, and in the constant innovation from prevailing to the next best practices.

The development of Entrepreneurship in a Nation depends not on a single important factor but rather on 'a collection of important factors' at the personal, societal and national levels⁷. Entrepreneurship largely depends upon the motivation factors of the individual, experiences of the individual, their socio-cultural (including family) traditions, educational opportunities, availability of relevant skills and attitudes, supporting financial institutions and access to credit, existence of commercial trading centres, infrastructure support including trade routes with efficient transport and communication facilities, macro-economic environment and overall political stability. It has also been believed that Innovation and Entrepreneurship can prosper best in decentralized systems by empowered people, who are willing to explore new ideas.

In the economics of innovation there are three stages of development, namely a factor-driven stage, an efficiency-driven stage and an innovation-driven stage⁸. In the factor-driven stage, the economy will witness high rates of self-employment through agricultural activities. Countries where the factor driven stage is prevalent businesses compete through low-cost efficiencies in the production of commodities or low value-added products. Majority of the businesses will be owned by sole proprietors, and there will be only small manufacturing firms and service firms. In Such countries, there is no creation of knowledge for innovation nor use of knowledge for exporting.

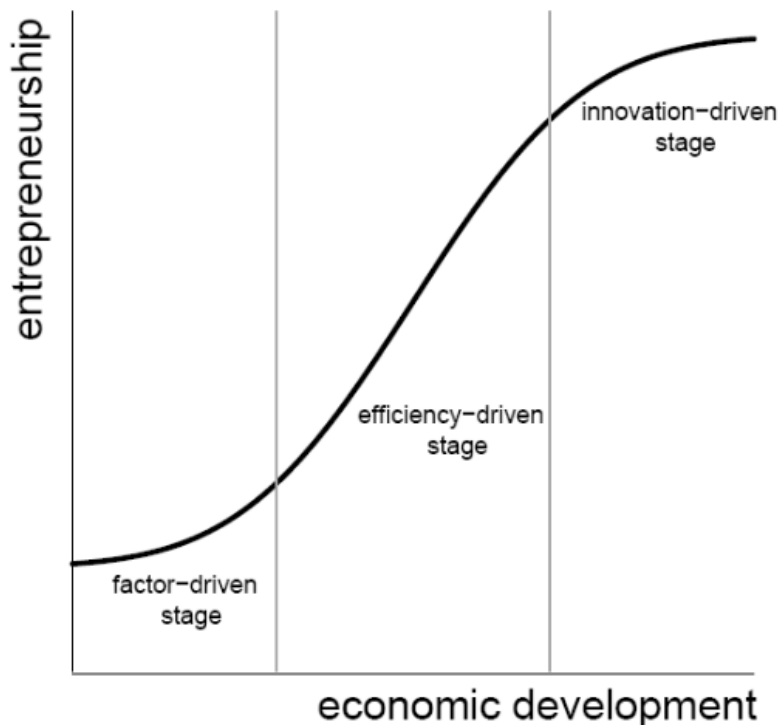
The second stage, is the efficiency-driven stage in which countries increase their production efficiency and educate the labor force to adapt the changes in the technology. Industries in this stage are dominated by manufacturers who provide basic goods and services. rates of self-employment will decrease in this stage. In an efficiency-driven economy, capital and labour play an important role in growth of the economy and in decision – making process weightage is given for technology.

The third stage is the innovation-driven stage .in this stage importance is given for knowledge .This stage encourages growth of high value added industries .

Only about 5 percent of economic activity has innovation In a factor-driven economy . This increases upto 10 percent in the efficiency driven stage. On the other hand, in the innovation-driven stage when new opportunities are ventured and new innovative ideas start dominating the market and innovation is present in more than 30 percent of economic activity.

entrepreneurial leaders have played a key role in the economic development in many nations. By creating employment, introducing innovation and providing welfare services to the society Entrepreneurship plays an important role in the development of the economy of a nation.

Relationship between entrepreneurship and economic development



The above Graph showing the effect of Entrepreneurship on Economic Development in stages.(The global entrepreneurship Development Index,2011)

The intersection of the S-curve on the vertical axis reveals that entrepreneurship is also a resource, and that all societies have some amount of economic activity, but that activity is distributed between productive, nonproductive and destructive entrepreneurship. When the third world economies have more population of the self-employed, who are owning micro and small businesses then the factor driven stage is more prevalent in such economies. When more and more purposeful entrepreneurial activity happens the economy is shifted towards creative entrepreneurship and there by strengthens the economic development.

Economy in India

India is one of the fast growing economy in the world .The growth rate of the economy was 7.6% in 2015 ,whereas in 2014 it was 7.3% .The important drive for growth in the economy is increase in the Private consumption, improvement in fields such as, trade related services , finance, logistics, information and communication, and in real estate sector. However, the rural consumption demand is low because of less agricultural activity and less rainfall.

Even though India's service sector enjoys remarkable transformation, yet the growth level in the manufacturing sector is very low. The government of India has introduced various proposals to increase productivity. The central and state governments emphasizes on the importance of education to encourage innovation and augment entrepreneurial skills⁹.

Economy of Maharashtra

Maharashtra ranks first in the Gross value added and wages provided to labourers with it's share of about 21.2 percent and 16.1 per cent at All-India level. The State is at second position in number of factories,

number of workers and fixed capital with share of 13 per cent, 12.6 per cent and 13.8 per cent respectively. The contribution of the State in total value of output, working capital and in the Net Value Added (NVA) in the country was 16.2 per cent, 18.2 per cent & 22 per cent respectively.

Women's role in economy

The role of Women in entrepreneurship is very important in framing the future of a nation's economy. As women face many challenges in entrepreneurship, it hinders the growth and development of women entrepreneurs and affects the efforts to understand the opportunities to enhance growth. Various studies have found out that there is a dearth of information for women entrepreneurs and there is huge necessity for high-growth of women entrepreneurs across the world. Many studies have found out that even in developed economies such as the United States and Sweden, gender barriers are present.

Women entrepreneurs own and manage creative businesses and are more focused on growth. They directly contribute for the welfare and growth of the economy. When they thrive in their businesses, they become successful role models for prospective women entrepreneurs. Through their leadership positions, they can also serve as a positive mechanism for transformation¹⁰.

Entrepreneurship in Global Scenario:

In entrepreneurial activity, The United States stands first in the world. Other developed countries such as Australia, Canada, and the Netherlands are also in better ranking in entrepreneurship. In Europe, the United Kingdom and France are ranked in the best ten entrepreneurial countries. On the other hand Italy, Spain and Poland, are ranking low in entrepreneurship rankings. Country like Chile faces very unique challenge. It ranks 15th in the overall entrepreneurship ranking, 16th in entrepreneurial attitudes, 5th in entrepreneurial abilities, and 34th in entrepreneurial aspirations.

Table showing the Global Entrepreneurship Ranks of the First 25 Countries, 2016

Country	GEI	GEI rank	ATT	ATT rank	ABT	ABT rank	ASP	ASP rank
United States	86.2	1	84.4	1	84.8	2	89.5	1
Canada	79.5	2	78.1	2	81.3	4	79.0	3
Australia	78.0	3	75.2	4	81.8	3	77.0	4
Denmark	76.0	4	71.1	8	87.1	1	69.9	10
Sweden	75.9	5	77.3	3	79.9	5	70.4	8
Taiwan	69.7	6	61.6	14	65.9	15	81.6	2
Iceland	68.9	7	70.2	10	69.8	10	66.8	13
Switzerland	67.8	8	63.4	13	68.9	11	71.0	6
United kingdom	67.7	9	70.9	9	73.3	7	58.8	26
France	66.4	10	58.3	17	73.4	6	67.4	12
Singapore	66.0	11	49.2	32	71.8	8	76.9	5
Ireland	65.6	12	59.0	16	71.3	9	66.6	14
Netherlands	65.4	13	71.7	7	66.4	14	58.2	29

Germany	64.6	14	60.1	15	67.4	13	66.2	15
Austria	62.9	15	64.5	12	63.7	17	60.6	23
Chile	62.1	16	74.9	5	47.9	35	63.4	17
Belgium	62.1	17	53.4	24	62.4	18	70.4	9
Finland	61.8	18	72.1	6	52.5	26	60.7	22
United Arab Emirates	61.4	19	55.5	20	57.8	21	70.9	7
Norway	61.1	20	69.9	11	68.3	12	45.1	45
Israel	57.4	21	52.9	25	50.2	32	69.0	11
Estonia	57.3	22	56.5	18	57.2	22	58.3	27
Luxembourg	57.2	23	44.0	44	65.7	16	62.0	19
Qatar	56.7	24	53.8	23	51.4	28	64.9	16
Lithuania	54.8	25	47.9	34	58.2	19	58.2	28

Source: GEM Report on Entrepreneurship, 2016

(ATT- Entrepreneurial Attitudes, ABT-Entrepreneurial Ability, ASP-Entrepreneurial Aspiration)

Entrepreneurship in India

The Government of India has introduced many programs to develop inclusive and sustainable development. These measures include all programmes to support small and medium-sized enterprises through enhanced credit under the Micro Units Development and Refinance Agency bank loan scheme; promote financial inclusion through the Jan Dhan programme under which 250 million people have received the benefit to access modern banking services; create a skilled workforce under the Skill India initiative; to make India as a base for manufacturing; and also to develop entrepreneurship under the Startup India Stand up India initiative. India ranks only 98th position of the overall 132 countries listed by Global Entrepreneurship Index. India's entrepreneurship is mainly a factor driven economy.

Table showing Industrial scenario of Mumbai:

Serial no	Category	Number of enterprises			Employment generation			Investment (Rs in Lakhs) (in P&M)			Production capacity (Rs in Lakhs)		
		manufaturing	Servic e	to tal	Manufac turing	Servic e	Tot al	Manufac turing	servic e	total	manufac turing	servi ce	total
1	Micro	2191	1381	3572	27193	16795	43988	134700	23453	158153	871205	567534	1438739
2	Small	1635	1308	2943	46744	82759	129503	115531	8476	124007	789777	1574148	1652925

3	Medium	28	41	6 9	4230	180 72	223 02	29379	360	297 39	3003745	119 777	312 352 2
	Total	3854	273 5	6 5 8 9	78167	117 626	195 793	279610	3228 9	311 899	4664727	226 145 9	621 518 6
	Large scale projects	234	401	6 3 5	75843	141 819	217 662	1577700 .4	1128 903.6	270 660 4			

Source: DIC, Mumbai

women entrepreneurs review of literature

Jamali (2009)¹ examined in his study the relationship between constraints and opportunities affecting the female entrepreneurship in Lebanon. Ten women entrepreneurs perceptions and opinions towards constraints and opportunities in entrepreneurship is studied by conducting in depth interviews. The findings clearly states that the women run businesses are influenced by the micro and macro level of constraints and opportunities and impacts the business.

AsadSadi & Al-Ghazali (2010)² studied to find out the reasons why Saudi women choose to startup their own business ventures and what are the barriers they face in their entrepreneurial journey. In their study they compared motivation and barriers of women entrepreneurs and contrasted with their men counterparts. Through this study they found out that self – achievement was the most important factor to motivate Saudi females towards business start-up. However, they faced traditional restrictions, lack of market studies, lack of support of government and market domination by few investors. They also found out that the Saudi business women had faced a number of operating barriers such as lack of coordination between various government departments, lack of laws protecting their investment and customers, lack of support of community and socio-cultural restrictions. The researchers recommended that both the government and the Chambers of Commerce must facilitate the operating needs of Saudi business women through establishing women-only sections in major government ministries, establishing women-related business training programmes in the Chamber of Commerce, instructing government lending institutions to handle female loan applicants on equal basis, setting up of special sections in the Chamber of Commerce to provide market information and allowing businesswomen associations to facilitate networking groups on national, regional and international levels.

Dajani & Marlow (2010)³ studied the impact of women's self-employment in alleviating poverty and empowerment of women in Saudi Arabia. An empirical study was conducted on 43 home- based female entrepreneurs, the findings show that though these women make significant contribution to the family incomes, their entrepreneurial activities are constructed around the preservation of the traditional family form and women empowerment is attained only to a certain degree.

Xavier (2011)⁴ examined the role of women business entrepreneurs in Yemen. The study was conducted to find out the factors that motivate Yemeni women to establish their business venture, opportunities for growth, and discussed about the challenges and barriers in becoming successful entrepreneurs. Qualitative research approach was adopted through personal in-depth interviews with Yemeni women entrepreneurs in various businesses. Findings from the study revealed that there are several reasons driving Yemeni women to become entrepreneurs, including the desire to be independent, improve the standard of living, source of income to support family, and gaining control over

personal life. The study reveals various problems and barriers which hinders the success of these women entrepreneurs. The study suggests that Yemeni women entrepreneurs have strong entrepreneurial competence. But they lack in entrepreneurial ability, and receive no continuous training and support service to develop their entrepreneurial skills to their full potential. Therefore the study suggests that women entrepreneurs should be given continuous training to utilize their entrepreneurial potential .

Akehurst et al (2012)⁵ has made an exploratory study on the characteristics of women entrepreneurs and the business they run in the Valencia region. All the women entrepreneurs selected for the study belonged to the service sector, Data was collected to identify the factors of motivation, expansion, financing of the business, marital status and number of family members. The study shows how different factors affect the motivations, obstacles and performance of firms created by women. It is found out that financial support for running the business ,demographic factors,age at which the new business venture is undertaken ,use of family loans and the initial size of a firm are all instrumental in subsequent business success.

United Nations Foundation (September 2013)⁶examined the factors that had high impact on women's earnings and productivity around the world. The report recognizes entrepreneurship as a means of achieving women's economic empowerment particularly in rural areas where women face difficulty to get jobs. The findings revealed that capital alone does not influence the growth of women -based firms, but proper business training and access to savings may lead to increase earnings. Mentorship or network building has a high chance of encouraging better performance of women run enterprises.

Roomi (2013)⁷ has studied the influence of women entrepreneurs capital and social values on the growth of women owned enterprises in the Islamic Republic of Pakistan. The findings confirm that women entrepreneurs' personal resources and social capital have a significant impact in their business. Further it reveals that the moral support of immediate family, independent mobility plays a decisive role in the growth of women based businesses in an Islamic country such as Pakistan.

Sengupta,et al (2014)⁸ have studied the performance differences between male and female entrepreneurs in the informal service sector in India, using the National Sample Survey Organization data. In their study, performance of male and female entrepreneurs has been compared in terms of efficiency. The findings reveal that female entrepreneurs are more efficient in commercial enterprises. On the other hand they are less efficient in the traditional sector as compared to male entrepreneurs.

Tlaiss (2014)⁹ has studied the interplay of gender, cultural factors, Islamic teachings and agency in explaining the barriers faced by women entrepreneurs in the United Arab Emirates (U.A.E).For this study, in-depth interview was conducted on 20 women entrepreneurs in the U.A.E. The findings reveal that there is a considerable Socio-cultural impact on the business venture and on women's access to capital and business networks. This study throws light on the importance of role of women's agency, self confidence and persistence in fostering the appetite of local women for entrepreneurship and overcoming the barriers.

World Bank (2014)¹⁰ report findings reveals that performance of Women- led businesses and performance of businesses run by men are having no difference in the survival rates. It is recommended in the report that there is a need for more evaluation of growth - oriented entrepreneurship programs. Effective programmes need to be organized to address the challenges faced by women entrepreneurs and efforts should be taken to motivate female entrepreneurship beyond the micro enterprise and low productivity to growth oriented and technology related enterprises.

ILO(2014)¹¹analysed the effectiveness of Women support programmes for entrepreneurship,which aimed to increase the economic opportunities of women entrepreneurs. The findings of this study reveals that financial support and business training does not have great impact on the performance of Women -based businesses. However

business training combined with continued technical assistance and business grants had more positive impact on women's business growth.

Welsh et al (2015)¹² studied about the female entrepreneurs in Morocco and the role played by families in business start up decisions. In this study analysis was done on the influence of the management skills and the presence of gender discrimination in obtaining funds on women entrepreneurs propensity to start their own businesses either with the family members or without taking the family members. Well knitted families and High management capabilities were able to influence increase the chances that the female entrepreneur would startup her business with her family members. On the other hand, when the women entrepreneur experiences gender bias in obtaining funds, the women entrepreneur may start up her start her business alone.

Female Entrepreneurship Index, June (2015)¹³ issued by the Global Entrepreneurship Development Institute, analysed the entrepreneurial eco system, examining the overall business conditions in 77 countries. It examined the strengths and weaknesses within the countries that either support or act as a challenge to Women - led businesses. The index highlights areas that need improvement to enhance the success of women entrepreneurs, like improving women's perceptions of their skills in East Asia or increasing access to banking services and business training programmes in Sub- Saharan Africa. The findings indicate that there are female run businesses in Sub- Saharan Africa and they create employment. But innovation in businesses is very less and women entrepreneurs participation in technology sector has declined.

Conclusion

Women entrepreneurship can make a particularly strong contribution to the economic well-being of the family and communities, poverty reduction and women's empowerment, thus contributing to the Millennium Development Goals (MDGs). Women entrepreneurs create new jobs for themselves and others and also provide society with different solutions to management, organisation and business problems. However, they still represent a minority of the total entrepreneurs. Studies reveal women entrepreneurs often face gender-based barriers in starting and growing their businesses, like discrimination in property; matrimonial and inheritance laws and/or cultural practices; lack of access to formal finance mechanisms; limited mobility and access to information and networks. This paper leads for further comparative study of gender-based entrepreneurship.

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