

Development of Women Entrepreneurs—A Review of the Literature

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Abstract: The past four decades have seen a growing interest in strategies to enhance the economic status of women, especially in the developing world, through promotion of small and informal sector enterprises. This paper looks at the literature around women entrepreneurs, focusing on female entrepreneurship in the developing world - and more specifically in India. It is hoped that it will be useful to fellow researchers who are undertaking studies in this area. In the light of recent world events, this has become a crucial area to study and understand – especially with respect to motivations, constraints and consequences

Keywords: women entrepreneurship, developing world, India, literature review, Libreliazation

Introduction:

Entrepreneurs play the essential role in determining the economic destiny of a nation. It is the enterprise of a few in a society that helps change the growth profile of the economy and diversity its economic base. Entrepreneurs not only launch and run business but also contribute to create employment, output growth, technological up-gradation, and improvement in the quality of goods and services by altering the production function. It is widely recognized that the lack of entrepreneurship is a major reason for relative backwardness of the developing economies. Augmenting the supply of entrepreneurs who perceive new opportunities, convert them into viable business propositions, undertake business related risks and contribute to the growth of the economy by harnessing available but dormant resource potentials like capital, labour, technology and markets is therefore, essential for development of any region, country or economy.. The interest of women managed enterprises has mainly focused on sectors such as industry, commerce and services. The number of women moving into these sectors is on the rise because women are of the opinion that there are better prospects in improving their economic stand in these sectors than in the traditional agricultural sector. This paper presents a review of women entrepreneurship in the developing countries specially in India. Early on in the paper, the conceptual framework that the researchers came up with as a result of the literature review has been presented .

Literature Review:-

The literature review will first look at the concept of entrepreneurship, and then go on to look at women entrepreneurship and associated definitions. The focus of the review is on the developing world, especially India. The literature review tries to combine recent research with some older work to present a well-rounded picture.

Liberalization and Women Entrepreneurs at local as well global level

A number of studies on globalization and structural adjustment had been attempted by economists and the socialists at the macro, regional, district and micro levels based on primary as well as secondary sources of data that have been supported by the empirical evidences. Their main findings have been discussed in the following paragraphs:

Roy (1999) unfolds the key lessons for reducing poverty through micro/sectoral, macro and international policies within the framework of liberalization and globalization. The key issues brought forward are: (a) structural transformation of developing countries in the context of liberalization and globalization; (b) liberalization (SAP) and its consequences for growth, inequality and poverty with particular reference to the formulation and impact of special measures to reduce poverty; and (c) the interaction between the pursuit of growth and poverty. Further, the analysis affirms that the state has to play a major role in fulfilling such goals, while creating the conditions for market to function more effectively in line with the goals of growth and poverty reduction, underpinned by making the economy more competitive.

Sideri (1999) examined the formation and evolution of the world economy and analyzed the process of globalization which is either working as economic blocks or global apartheid. This analysis projects that the world economy could be moving towards a slump, the retreat from globalization could lead to the growth of

regional integration which enables economies to scale and liberalization, as well as control of the negative effects of globalization. Saeki focuses on how the global economy relates to the national economies and the underlying concept of the nation state. According to the author, there has been little coordination and with the continuing advancement of globalization that have been frequent market turmoil. In fact, at present the situation is such that the business of international politics and economics, or international relations is pulling in different directions.

Varadarajan and Murugan (1995) brought forward the challenges faced by the Indian economy in the wake of globalization. According to them, the process of globalization is posing certain issues such as: (i) Indian rupee was devalued against the external currencies to the level of 20 per cent in 1991, though there has been increase in exports but the results achieved were not as expected. Thus, India is placed in a difficult situation; (ii) The crisis of the Indian economy in the early phase of reforms was not properly understood; (iii) The success of globalization will rely in tackling the crucial issues such as: restructuring of the globalization that rely on tackling the crucial issues such as: restructuring of the industrial economy; long-run ready industrial growth and the level of competitiveness in the world market along with public participation.

Neelakantan (1995) analyzed the different aspects of globalization and concludes that; the short-term liquidity crisis has forced upon India, the necessity of liberalization. In fact, he advocates India to libjm, realize internally first and then expose the economy to globalization. Further, the government should extend gradually its activities in the areas where its role is desperately needed, such as: social security for the unorganized sector, education, health, research and development, and infrastructure development for agriculture; while slowly withdrawing from areas where its comparative advantages are minimal.

Patel and Talati (1995) studied the Indian economy within the gamut of globalization, appraised the NEP (deregulation, deflation, denationalization, de-subsidization) and policy package comprising devaluation. Though it has been hailed as growth-oriented and revolutionary, having put the economy to face competition and the related issues of efficiency, productivity, cost-effectiveness, technological up-gradation, modernization and growth; critics however express doubts about its success and pain, a different picture demanding an economic model similar to the Gandhian trusteeship has evolved which was also suitable for our socio-economic conditions.

Kundu, Amitabh (2000) analyzed the views of both the proponents and critics of the new development strategy and consents with the fact that urban growth in the post-liberalization phase has been very high, although the critics hold that this will be associated with low productive employment and poverty, and have a negative effect on the quality of life in the cities. Therefore, he assesses empirically the impact of economic liberalization on the nature and pattern of urban growth, particularly with reference to urbanization in Gujarat, a rapidly industrializing state, taking account of the changes in labour market and those in the system of urban governance, land management/ development practices, and the commercialization of basic services. He concludes that, the change in the system of governance and urban planning, brought about through structural adjustment, as recommended by international agencies like the World Bank, IMF, etc., and broadly accepted by the Indian planners, envisage state's role only as a facilitator. If needed the public agencies intervene as facilitators in the market – removing its deficiencies as saving the players from market failures – the above scenario would emerge, possibly with greater ease. Further, he argues that, given the socio-economic reality in India, it is difficult for private sector alone to bring about the desirable changes in the urban land market, land use pattern, investment levels in infrastructure, etc. The development of global cities would necessitate 'structural' changes in land and capital market that would be difficult to achieve without the state becoming an active partner in the process. More specifically, the state of Gujarat has responded quite favorably in the past few years by making the necessary changes in legislations and systems of governance and opening up urban land and the capital market. According to the author, Gujarat continues to play the facilitator's role, and it would have a couple of global cities with massive infrastructural and industrial investment around them within the next decade or so: The spatial structure of development, would then be characterized by accentuation of regional imbalances, high poverty and low quality of life in urban centers, except in the few cities linked to the national and world markets.

Thompson, G (1999) studied, as to how economic 'globalization' has been conceptualized and what are its implications on the international economy? He then assesses globalization, particularly in terms of the possibilities for the governance of the international system. He concludes that, globalization leads to a dramatic loss of confidence among the public authorities and indeed any agent that sees the need for governance. It leads to highly diminished expectations of what can still be achieved and to a disarming attitude on the part of all those concerned with public policy. He further states, that it is vital to recognize the world economy which is throwing up new organizations and interests, is changing both in the form and content. The challenge is for policy makers to learn to manage this evolving system, as the idea of globalization may sometimes be more of a hindrance than of help.

Pascal petit and Luc Soete (1999) analyzed the globalization process, earlier dominated by international trade and investment, and largely borne today by the reduction in the cost of information and communication processing, which together with the accumulation of knowledge and experience deeply transforms the context for international transactions. The authors have discussed the main features and parameters of globalization. They suggested that the trade flows were developed rather unevenly and were concentrated to Europe, North America, and East Asia. They pointed out that the future of globalization lies only in co-operative action within and amongst the nations.

Nagesh Kumar (2000) reviewed the performance of Indian economy during the 1990s, in terms of certain broad macro-economic indicators and provides a brief sketch of the economic reforms so far, and analyzed their impact and offers suggestions for the second generation of reforms, which are as follows:

- (a) Social and physical infrastructure: It has become clear that the government will have to continue to play a key role in providing social and physical infrastructure to sustain high rates of economic and social development.
- (b) The emphasis on the quality of higher education in the past decades has been responsible for enabling India to participate in the ongoing knowledge and information revolution.
- (c) Social safety nets and social security schemes: The industrial restructuring necessitated by liberalization has led to job losses. There is a need to provide social safety nets to guard vulnerable workers from the threat of job losses for which a framework for social security is required.
- (d) The privatization process should be driven by the aim of achieving efficiency and securing long-term interests of the enterprises rather than as a means to reduce budget deficits.
- (e) The FDI policy needs to have a perspective particularly with regard to the strategic sector identified as a part of the industrial competitive policy for building local capabilities.
- (f) Providing a policy package to encourage R&D. Hence, indigenous innovative effort will need some protection from technology imports. Most of the developed countries promote their R &D through a variety of policy incentives and subsidies.

S Mahendra Dey (2000) studied various indicators of poverty, income distribution, and employment in both the pre and post reform periods; identifying the components of reforms having impact on these indicators. Given the newly emerging disparities with regard to urban and rural poverty; interstate inequalities, and agricultural sector, the author argues for laying more emphasis on agricultural growth and rural infrastructure, increasing social sector expenditure, and involvement of local institutions during the phase of second generation of reforms.

The author concludes:

- (i) The inequalities in income distribution and consumption pattern were higher in the post-reform period as compared to the pre-reform period.
- (ii) In the 1990s, poorer states like Bihar, Madhya Pradesh, Rajasthan, Uttar Pradesh, and Orissa have not shown reduction in poverty while richer states like Andhra Pradesh, Gujarat, Karnataka, Kerala, Maharashtra, Tamil Nadu, West Bengal, and Punjab recorded decline in poverty.
- (iii) An analysis of the impact of public expenditure on poverty reveals that expenditure on roads and agriculture research had more impact, than the expenditure on direct poverty alleviation programmes.
- (iv) One paradox in agriculture in the 1990s was that agricultural growth was lower in the 1990s in spite of increase in trade and private investment.
- (v) Trade and price reform alone would not be sufficient to improve agricultural growth. Without infrastructural development and institutional changes, the price instrument may not increase the aggregate supply response.
- (vi) There is a need for involving the panchayats and NGOs, self help groups, and community based organizations for strengthening government employment programmes.

An analysis of poverty is essential in understanding the scope of these strategies in the frame of, a shift in emphasis to market forces under liberalization.

Chatterjee (2000) dealt with the theoretical implications of free international trade and capital mobility on income distribution and real wages. He has also discussed the effects of the trade liberalization on real wages and the workers' conditions. It was concluded that firstly, introduction of imperfect competition in the domestic economies of trading partners will affect free trade as well as mobility and care should be taken to delineate the exact nature of economies before venturing. Secondly, the rate of growth of trading nations can diverge as a consequence of greater opening.

Saramma (2000) studied the employment growth in India and the impact of structural adjustment on employment. The author has shown that the New Economic Policy has not mitigated the problem of educated

unemployment and thus structural adjustment is unfavorable as far as employment is concerned. In fact liberalization has promoted capital-intensive industries, decentralized production, and has generated employment in the informal sector. The retrenchment of workforce under exit policy though inevitable is an anti-welfare policy from the social point of view. Lastly, the liberalized policy has resulted in the flexibility of labour, i.e., the rise in employment of temporary, casual, and contract labourers due to labour saving technology.

Vandana (2000) discussed the gains from trade, human sources, and increased globalization. She has concluded that in the globalization era, Asia provides the most lucrative market. India is also accepting the entries of MMCs, improving the technological know-how, and weeding out monopolies.

V.S. Vyas (1995) concluded that in designing the strategy to cope up with the future, a much greater reliance will have to be placed on technology and institutions. Technology will contribute to the enhancement of productivity of small farms, and the supportive institutions of extension, credit, and marketing will have to be congruent with the prevailing agrarian structures. Economic policies, domestic as well as external policies, will have to be subservient to the principal goals of protection of the environment and poverty elimination in rural areas. These policies will have to be rooted in the economic, social and historical context of the country concerned, and evolved in tandem with the development of institutional strength and implementation capability, and all these point towards the paramount significance of small farmers and agricultural works.

V.P. Tripathi (2002) observed that India, being one of the largest producers of agro-foods, has great potential in Agro-Processed Food trade in the global market. Similar to its very low contribution in global trade, the contribution of this sector is also very low currently. One of the basic problems in Agro-Processed Food industry is that, it is suffering from the lack of timely processing facilities, preservation, and marketing. There is an urgent need for sincere efforts both from the policy makers and entrepreneurs to tap the vast potential of Agro-Processed Food industry and harness its trade potential to streamline it into right direction.

M. Govinda Rao and V.N. Mishra (2003) revealed that the emerging implications of the findings of this study may be summed up as follows: The performance of policies should be judged while taking into account the production response rather than focusing mainly on the basis of growth rates. This is quite important in the case of agriculture, being a resource-constrained sector. The slower increase in agricultural production during the Nineties may, therefore, be attributed to declining real public investment in agriculture and not the failure of trade and agricultural price policies. Secondly, what seems to be creating problem in achieving higher growth is that the larger share of public resources is spent on subsidies, which do not seem to be helpful in raising productivity in Indian agriculture.

Thus, the Review of Literature revealed by and large, comprehensive and focused research on women entrepreneurs is scarce and scattered with only a few studies of a view limited nature. Thus, there is a wide scope for further research to investigate issues pertaining to women entrepreneurs where developmental changes have taken place very rapidly and the policies pertaining to liberalization towards women entrepreneurs have been implemented.

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