

# Development of Social Entrepreneurship in India through Women Entrepreneurs:

Meha Sinha

Asst. Prof. Management Department  
Dewan Institute of Management Studies.  
Meerut- UP

**Abstract:** This conceptual paper emphasizes the need of social entrepreneurship in India and how Women Entrepreneurs can be a big support in it. Social Entrepreneurship is topic of growing interest among the social practioners and political governance of the upcoming India. India has been a country of entrepreneurs since ancient times. The opening up of foreign competition has flutter among Indian entrepreneurs for more opportunities and latest technological invention. In which Women entrepreneurs have come up with the maximum zing and enthusiasm. In India, there is a progressive environment for social entrepreneurship, with timely change in the legal structure. The government recognizes the problem of legal status of social enterprises, which is a deciding factor for fund raising. The specific nomenclature of “social enterprises” has not often been used in government proceedings. The encouragement of social enterprises by the government comes in the form of involvement in Micro, Small, and Medium Sized Enterprises, backing venture capital funds and policy formulation. The major objective of this paper is to focus on the status of the women entrepreneurs in our country as well challenges faced by them. We will also study the success story of Hina Shah, who is one of the most successful women entrepreneurs of plastic and packaging industry of India. She is also founder of ICECD. ( International Center for Entrepreneurship and Career Development). By now 10, 00,000 women have been linked to it and are successful SME’s throughout the continent.

**Keywords—***Entrepreneurship, Social, Women entrepreneurship.*

## I. INTRODUCTION

Entrepreneurship refers to the act of setting up a new business or reviving an existing business so as to take advantages from new opportunities. An entrepreneur is a person who starts an enterprise. He searches for change and responds to it. A number of definitions have been given of an entrepreneur- The economists view him as a fourth factor of production along with land labour and capital. The sociologists feel that certain communities and cultures promote entrepreneurship like for example in India we say that Gujaratis and Sindhis are very enterprising. Still others feel that entrepreneurs are innovators who come up with new ideas for products, markets or techniques. Thus, entrepreneurs shape the economy by creating new wealth and new jobs and by inventing new products and services. However, an insight study reveals that it is not about making money, having the greatest ideas, knowing the best sales pitch, applying the best marketing strategy. It is in reality an attitude to create something new and an activity which creates value in the entire social eco-system.

The economic development of a Nation depends on its industrial development. The industrial development is based on the entrepreneurial competencies of the people. Entrepreneurs are innovative, highly motivated, and critical thinkers. When these attributes are combined with a drive to solve social problems, a social entrepreneur is born. Social enterprises are the organizations which aim their efforts toward improving the general welfare of society and they apply market-based strategies to achieve a social purpose. Social entrepreneurs and social enterprises share a commitment of going ahead with a social mission of improving society. There is a great difference between social entrepreneurs and nonprofit organizations on the basis of their goals and objectives. Social entrepreneurs are driven by social as well as financial goals whereas non-profit organizations work purely for social purpose.

An understanding of whether and how social entrepreneurship differs from processes and activities by political actors or social activists who also aim to bring about social change or alleviate social problems. In a nutshell, the concept of social entrepreneurship is still poorly defined and its boundaries to other fields of study are still fuzzy. While to some this may appear to be a problem, we see it as a unique opportunity for researchers from different fields and disciplines, such as entrepreneurship, sociology and organizational theory, to challenge and rethink central concepts and assumptions.

## II. SCOPE OF SOCIAL ENTREPRENEURSHIP

Social entrepreneurship is a growing, worldwide movement. The scope of social work is no longer limited to activism. Today, there are many opportunities in child welfare, community policing, healthcare, counseling etc in not only NGO’s but also national and international bodies as well as social enterprises. Additionally, there is immense scope for social entrepreneurship and starting your own social initiatives. Social entrepreneurship will play a big role in bringing the growth to the rural masses in India and so it becomes important to study the factors, like fair trade, that will shape the social entrepreneurship philosophy.

Social entrepreneurship has a unique approach in finding solutions to societal and developmental problems that also attracts academic interest. Social entrepreneurship and social enterprise appear to be having an identical meaning, though the former indicates the process and the latter means the organizational form. Neither has a uniform

conceptualization because different countries use different legal definitions to define social enterprises. In India too, there are no definite boundaries given to social entrepreneurship and social enterprises. The fact that in India social enterprises are mainly structured as public/private limited companies and only a few are registered as trust or non-government organizations. It is difficult also to define social entrepreneurship based on structural features because then it overlaps traditional enterprises. Thus, an important reflection is that we need to consider the qualitative features over the structural features of social enterprises. The qualitative features are social mission, social change, innovation and inclusion of the Bottom of the Pyramid<sup>1</sup> of the population, which also explains the process of social entrepreneurship. This means that the process of social entrepreneurship is largely meant to fill the developmental gaps which “not-for-profit” organizations, “for-profit” organizations, and the state have not been able to do. By filling these gaps it also enters into the area of quality of life<sup>2</sup>, as social enterprises provide goods and services that not just meet their physical needs, but also ensure their well-being, and improve quality of life, by enhancing the capabilities, of the people living at the bottom of the economic pyramid, thus attempt to bring them within mainstream development.

### III. CHALLENGES FOR SOCIAL ENTREPRENEURS IN INDIA

The positive feedback of success and attention will naturally encourage new entrants, driving more and more effective social entrepreneurial initiatives. Peredo & McLean (2006) indicate that there are nevertheless tremendous hurdles and challenges that many social entrepreneurs face while operating in India and that hinder the entrance of new social entrepreneurial ventures. Unfriendly bankers, procedural delays, bureaucratic indifferences all impede the smooth launching of enterprises. Ironically enough, the policy imperatives with their trust on protecting the new entrepreneurs in the small sector from the shocks of unequal market relations with the large sector, have turned out to be the hardest stumbling blocks on their path to growth and prosperity. Complex and burdensome regulatory and administrative environment created as a result of excessive state intervention became the major deterrent to the emergence of new entrepreneurship. Some of the major challenges are explained below: The fact that in India social enterprises prefer legal affiliation is of public/private limited company and not MSME (Intellectap 2012), reflects that there is need from government to make conditions more conducive for social enterprises. This encouraged the government to introduce The Producer Company Structure in 2002, a legal form alternative to the cooperative model. It failed to catch the attention of social entrepreneurs despite the promised advantages to small-scale producers, because it does not allow external equity, implying restricted growth In the last five years India observed tremendous growth in social enterprises, which is because of the Limited Liability Partnership (LLP) Act, 2002, which was to create a new hybrid tax structure. This emerged as emerge an attractive alternative structure for social entrepreneurs as it provided

‘internal flexibility of a partnership with the protective benefits of a corporation’ (Intellectap 2010: 22). This also made the hybrid<sup>4</sup> structures to become more acceptable among social enterprises and increased the prospects of fund raising without disturbing the interests of both donors and investors (Intellectap 2012). This indicates that the definition or ‘the state’ of social enterprise is not just influenced by the legal structure, but also by the role played by the government. That creates ambiguity around the phenomenon of social entrepreneurship, confusing it with other social sector forms. However, this study has taken the view that social entrepreneurship is a very vast area, which includes public services, cooperatives, corporate social responsibility (Corporate social responsibility<sup>5</sup>), not-for-profit organizations and for-profit organizations (OECD, 2010). Being a very vast area in itself, social entrepreneurship is full of diverse perceptions, which has made it complicated to define it.

### IV. WOMEN ENTREPRENEURSHIP IN INDIA

In today’s world, women entrepreneurs are playing very vital role and they have become important part of the global business environment and it’s really important for the sustained economic development and social progress. In India, though women are playing key role in the society, but still their entrepreneurial ability has not been properly tapped due to the lower status of women in the society. The main purpose of this paper is to find out the status of *Women Entrepreneurs in India*. This paper includes rationale grounds behind the women entrepreneurship. And reasons for women to become an entrepreneur, the institutions that are serving the women to put their views into action are also included in this study. On the basis of this study some suggestions are given to encourage spirit of women entrepreneurship to become a successful entrepreneur.

It is the psyche makeup of a person. It is a state of mind, which develops naturally, based on his/ her surrounding and experiences, which makes him/ her think about life and career in a given way. Entrepreneurship has been a male-dominated phenomenon from the very early age, but time has changed the situation and brought women as today’s most memorable and inspirational entrepreneurs. It is estimated that women entrepreneurs presently comprise about 10% of the total number of entrepreneurs in India, with the percentage growing every year. If the prevailing trends continue, it is likely that in another five years, women will comprise 20% of the entrepreneurial force (Saidapur et.al, 2012). The Tenth Five-Year Plan (2002-07) aims at empowering women through translating the recently adopted National Policy for Empowerment of Women (2001) into action and ensuring Survival, Protection and Development of women and children through rights based approach

For any developing country, Women entrepreneurs play the vital role particularly in terms of their contribution to the economic development. Women entrepreneurship has been recognized as an important source of economic growth. By establishing their new venture women entrepreneurs

generate new jobs for themselves and others and also provide society with different solutions to management, organization and business problems. However, they still represent minority as women entrepreneurs, especially in India. Women entrepreneurs often face gender-based barriers to starting and growing their businesses, like discriminatory property, matrimonial and inheritance laws and/or cultural practices; lack of access to formal finance mechanisms limited mobility and access to information and networks, etc. Women's entrepreneurship can make a particularly strong contribution to the economic well-being of the family and communities, poverty reduction and women's empowerment. Thus, governments across the world as well as various developmental organizations are actively assisting and promoting women entrepreneurs through various schemes, incentives and promotional measures.

Over the past few decades women are coming out of the boundaries of houses and proving their ability and competencies in the business world. Today the roles of women are not confined to the traditional role of a mother or a housewife. The role of modern women is much wider than, what it was previously. A woman has to play multiple roles, besides playing the role of housewife/mother/daughter, she has to play different roles in community in the social settings simultaneously. Because of Indian culture traditional customs women, even after 63 years of independence, are facing bias. This has adversely affected the status of Indian business women

#### V. STATUS OF WOMEN ENTREPRENEURS IN INDIA

Entrepreneurship is considered as one of the most important factors contributing to the development of society. India has been ranked among the worst performing countries in the area of women entrepreneurship in gender-focused global entrepreneurship survey, released in July 2013 by PC maker Dell and Washington based consulting firm Global Entrepreneurship and Development Institute (GEDI). Of the 17 countries surveyed India ranks 16th, just above Uganda. Countries like Turkey, Morocco and Egypt have outperformed India. Status of higher education in women in India came out to be lower than most countries in the world. At present, women's entrepreneurial role is limited in the large scale industries and technology based businesses. But even in small scale industries, the women's participation is very low. As per the third all-India census of Small Scale Industries, only 10.11% of the micro and small enterprises were owned by women, and only 9.46% of them were managed by women. While the number of women operating their own business is increasing globally, women continue to face huge obstacles that stunt the growth of their businesses, such as lack of capital, strict social constraints, and limited time and skill.

#### *Reasons for Women to Become Entrepreneurs:*

Self esteem, recognition, Self determination, and career goal are the key drivers for choosing to entrepreneurship by women. Sometimes, women choose such career path for proving their potential, caliber in order to achieve self satisfaction. However, dismal economic conditions of the women arising out of unemployment in the family and divorce can compel women into entrepreneurial activities. The days have gone when women always passed her whole life within the boundaries of house now women are found indulged in every line of business. The entry of women into business in India is an extension of their normal home activities. But with the spread of education and passage of time women started shifting from doing work at home or kitchen to the business venture. Skill, knowledge and adaptability in business are the main reasons for women to emerge into business ventures. Women Entrepreneur is a person who accepts challenging role to meet her personal needs and become economically independent. A strong desire to do something positive is an inbuilt quality of entrepreneurial women, who is capable of contributing values in both family and social life. With the advent of media, women are aware of their own traits, rights and also the work situations. The challenges and opportunities provided to the women of digital era are growing rapidly that the job seekers are turning into job creators. Many women start a business due to some traumatic event, such as divorce, discrimination due to pregnancy or the corporate glass ceiling, the health of a family member, or economic reasons such as a layoff. But a new talent pool of women entrepreneurs is forming today, as more women opt to leave corporate world to chart their own destinies. They are growing as designers, interior decorators, exporters, publishers, garment manufacturers and still exploring new avenues of economic participation.

#### *Obstacles in the Path of Women Entrepreneurs in India*

Highly educated, talented and professionally qualified women should be encouraged for running their own business, rather than reliant on wage service jobs. The uncharted talents of young women can be acknowledged, skillful and used for various types of industries to increase the yield in the business sector. A desirable atmosphere is necessary for every woman to inculcate entrepreneurial values and involve greatly in business dealings.

But Women in India are faced many problems to get ahead their life in business. A few problems can be detailed as;

#### a. *Short or Self-Confidence and Faith*

In India women have lack of self-confidence in their strength and ability. The family members and the society are unwilling to stand beside their organizational growth. Lack of role models undermines the self confidence of women entrepreneurs. The activity of selling is considered abhorrent to the female gender. To a certain degree, this situation is changing with Indian women and yet to face an incredible amend to boost the rate of growth in entrepreneurship.

*b. Socio-Cultural Barriers*

Family and personal obligations sometimes works as a great barrier for succeeding in business career of women entrepreneurship. Only few women are capable of managing both home and business efficiently, giving sufficient time to perform all their responsibilities in priority.

*c. Risks Related To Market*

Tough competition in the market and lack of mobility of women entrepreneurs. The installations of new machineries during expansion of the productive capacity and like similar factors discourage the women entrepreneurs from entering into new areas.

*d. Conflicts between Work and Domestic Commitments*

Women's family obligations also bar them from becoming successful entrepreneurs in both developed and developing nations. "Having primary responsibility for children, home and older dependent family members, few women can devote all their time and energies to their business" (Starcher, 1996).

*e. Gender gaps in education*

While women are making major strides in educational attainment at primary and secondary levels, they often lack the combination of education, vocational and technical skills, and work experience needed to support the development of highly productive businesses.

*f. Lack of finance*

Access to finance is one of the most common challenges that entrepreneurs face and this is especially true for women who are further impeded by lack of personal identification, lack of property in their own name and the need for their husband's countersignature on many documents. Traditional sources of finance like banks are reluctant to lend to women entrepreneurs especially if they do not have any male or family backing. This is especially true of lower income females. Women do not have adequate finance or legal knowledge to start an enterprise.

*g. Legal constraints in family law*

The institutional and legal environment is critical to the growth of female-owned enterprises. Laws regulating the private sphere specifically those regarding marriage, inheritance and land can hinder women's access to assets that can be used as collateral when securing a loan.

*h. Lack of family support*

Sometimes the family may make the women feel guilty of neglecting household duties in her pursuit of business obligations. Cultural traditions may hold back a woman from venturing into her own business.

*i. Heavy household responsibilities* leave a demand on women especially those in rural areas who have more children. They are required to perform their traditional

role as housewives and therefore, they have fewer hours of free time than men, both during the weekend and on weekdays. An ILO report on women entrepreneurship identifies the following problems faced by women entrepreneurs.

*j. Lack of right public/private institutions*

Most public and private incentives are misused and do not reach the woman unless she is backed by a man. Also many trade associations like ministries, chambers of commerce do not cater to women expecting women's organizations to do the necessary thing.

## VI. LIFE OF AN ENTREPRENEUR

### Hina Shah -Her Contribution to Economy

Hina Shah is a home maker, a classical dancer, an entrepreneur, a painter, an academician and the founder director of ICECD. In a man's world, she has created a niche for herself with path breaking innovative ideas. She began her career in 1976 in the plastic packaging industry and with a belief that economic empowerment is the tool for overall empowerment of women, she piloted a development strategy in 1980 that viewed women as an active participant in economic development. In 1986, she transformed her vision into an initiative "International Centre for Entrepreneurship and Career Development (ICECD)" which today is recognized as "Centre for excellence" by United Nations. She has thus facilitated thousands of deprived women to become entrepreneurs all over India and the developing world. Hina Shah started her first programme, termed Entrepreneurship Development Programme for women with 25 women from Gujarat, out of which 16 women established non-traditional businesses. Shah became instrumental in initiating and institutionalizing Women Economic Empowerment strategy in countries such as Zambia, Bangladesh, Lesotho, Botswana, Cameroon, Malaysia, Philippines, Jordan, Sri Lanka, Guyana, Ivory Coast and St. Kitts. Her efforts have created a consolidated wealth of Rs. 195 crores in India and Rs. 620 crores in other countries till date. Her mission has always been to create successful and persistent women entrepreneurs, who will emerge as job creators and not job seekers. Mrs. Hina Shah Bhuptani's vision is to turn women from job seekers to job provider. The core idea of "she can you can" initiative by Hina shah was Tupperware's basic ideology of empowering women and giving them wings to fly. She Can You Can, in essence, is an initiative to capture stories of women going beyond the ordinary. Focusing on empowering the women of today, the campaign endeavors to bring out the hidden achievers while helping the womenfolk lead a self reliant lifestyle. The campaign seeks to inspire many more women, to come forward to start dreaming and start achieving. Hina Shah's relentless efforts to change the face of the deprived, dependent women of rural India created a noteworthy impact. These are the women who hardly involved themselves in income generation and always despaired. Their status improved as they began their little businesses, earned, started spending profits on improving their lives; family diet; health and other essentials, and started sending their children to school. Their self-esteem and confidence

blossomed. They have savings in place, and are confident, healthier, better fed and housed, better informed and respected in the community. There has been an irrevocable change in the role of women in the deeply backward areas. Ms. Hina Shah has been chosen as a social entrepreneur, who in the past 3 years has led over 13,000 widows of Gujarat to become successful entrepreneurs, and is currently reaching out to over 2500 Primitive Tribal Youth of the State to become self sufficient. Her contribution to the development of Gujarat over the last 22 years has been significant, for which she has received various national laurels. Having spread her wings to over 52 Asian, African and Pacific countries world over, she is a huge source of inspiration to many who have changed the course of their lives to follow her leadership.

## VII. SUGGESTIONS TO INCREASE THE ROLE OF SOCIAL WOMEN ENTREPRENEURS

### a. *Infrastructure*

Infrastructure set up plays a vital role for any enterprise. Government can set some priorities for women entrepreneurs for allocation of industrial plots, sheds and other amenities. However, precautionary measures should be undertaken to avoid the misuse of such facility by the men in the name of the women.

### b. *Personality Development*

Attempts should be there to enhance the standards of education of women in general as well making effective provisions for their training, practical experience and personality development programmes, to improve their over-all personality standards.

### c. *Self help groups of women entrepreneurs*

Self help groups of women entrepreneurs can mobilize resources and pool capital funds to help the women in the field of industry, trade and commerce.

### d. *Business Development Training Programs*

It includes basic day-to-day management training like how to keep track of accounts, handle taxes and understand compliance rules and regulations. They can also focus on strategy and the long-range success of a business from writing a business plan to targeting specific markets, along with product innovation within business clusters and incubators.

### e. *Access to Finance Programs*

Efforts to facilitate access to finance for women entrepreneurs typically encompass initiatives that reform restrictive bank and regulatory policies. Such reforms accept less traditional forms of collateral, look at a lender's willingness to repay and simplify business registry. They also help financial institutions develop innovative loan and savings products for female entrepreneurs.

Social enterprise should use the network approach with other social enterprises to avail the opportunities in the market. It helps them to educate the consumer and set the market standards. The social enterprises should work together to educate customers about the difference between their product and those offered (possibly at lower Prices) by

other businesses. This would lead to increased demand for their products by the people who support their cause. This network approach can also be used in lobbying the government and regulatory agencies to create a business environment supportive of social enterprising. This lobbying can influence the government to provide liberal tax policies and investment regulations for the social enterprises. Social entrepreneurs should assist higher education institutes in India in developing curriculum that instills social entrepreneurship in their students and, in doing so, provides social enterprises with access to good quality managers and promoters. Majority of the social enterprises are operating mostly in the southern and western parts of India. This is primarily due to the jurisdictional focus of many of these enterprises and this leads to a regional imbalance in the growth of social entrepreneurship within the country. These enterprises should try to expand their operations to act as a mentor for similar organizations in the under-serviced areas of India. Balancing the growth of social entrepreneurship in the country would go a long way in solving the social problems of a large population spread over the width and breadth of the country. To establish all India forums to discuss the problems, grievances, issues, and filing complaints against constraints or shortcomings towards the economic progress path of women entrepreneurs and giving suitable decisions.

## CONCLUSION

The elimination of obstacles for women entrepreneurship requires a major change in traditional attitudes and mindsets of people in society rather than being limited to only creation of opportunities for women. Hence, it is imperative to design programmes that will address to attitudinal changes, training, supportive services. The basic requirement in development of women entrepreneurship is to make aware the women regarding her existence, her unique identity and her contribution towards the economic growth and development of country. The basic instinct of entrepreneurship should be tried to be reaped into the minds of the women from their childhood. This could be achieved by carefully designing the curriculum that will impart the basic knowledge along with its practical implication regarding management (financial, legal etc.) of an enterprise. Empowering women entrepreneurs is crucial for achieving the goals of sustainable development and the bottlenecks hindering their growth must be reduced to enable full participation in the business. Apart from training programs Newsletters, mentoring, trade fairs and exhibitions also can be a source for entrepreneurial development. As a result, the desired outcomes of the business are quickly achieved and more of remunerative business opportunities are found. Therefore promoting entrepreneurship among Indian women is certainly a short-cut to rapid economic growth and development. Let us try to eradicate all kinds of gender bias and thus allow 'women' to be a great entrepreneur at par with men.

#### REFERENCES

- [1] Baporikar, N. :( 2007) entrepreneurship development & project management-Himalaya publication house.
- [2] Damwad, :( 2007), Women Entrepreneurship – A Nordic Perspective, August 2007, Nordic Innovation Centre.
- [3] Gordon E. & Natarajan K.: (2007) entrepreneurship development – Himalayan publication house, second revised edition.
- [4] Lall, Madhurima, & Sahai Shikha, :( 2008), Women in Family Business, presented at first Asian invitational conference on family business at Indian School of Business, Hyderabad.
- [5] Mahanty Sangram Keshari – fundamentals of entrepreneurship – prentice hall of India raheem a.: (2006), "role of shgs", yojana, vol. 50, no. 12. Renuka v. (2001) opportunities and challenges for women in business, India together, online report, civil society information exchange Pvt. Ltd.
- [6] Rani D. L. :( 1996), Women Entrepreneurs, New Delhi, APH Publishing House.
- [7] Robinson S. :( 2001), "An examination of entrepreneurial motives and their influence on the way rural women small business owners manage their employees", Journal of Developmental Entrepreneurship, Vol. 6 (2), pp. 151-167.
- [8] Singh Kamala. :(1992), Women entrepreneurs, Ashish publishing house, New Delhi
- [9] Tambunan, Tulus. (2009), Women entrepreneurship in Asian developing countries: Their development and main constraints, Journal of Development and Agricultural Economics Vol. 1(2), Page No. 027-040.the glass ceiling. Thousand Oaks, CA: Sage.
- [10] Lall & Sahai, (2008), conduct a comparative assessment of multi-dimensional issues & challenges of women entrepreneurship, & family business. The study identified Psychographic variables like, degree of commitment, entrepreneurial challenges & future plan for expansion, based on demographic variables. Through stratified random sampling & convenience sampling the data have been collected from women entrepreneurs working in urban area of Lucknow. The study identified business owner's characteristics as self.