WOMEN ENTREPRENEURSHIPS IN GLOBALIZED ERA:
ISSUES AND CHALLENGES

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ABSTRACT

Women Entrepreneurs may be defined as the women or a group of women who initiate, organize and operate a business enterprise. Government of India has defined women entrepreneurs as an enterprise owned and controlled by a women having a minimum financial interest of 51% of the capital and giving at least 51% of employment generated in the enterprise to women. Like a male entrepreneur a women entrepreneur has many functions. This paper examines & undertakes women entrepreneurship in this globalized era and what are the characteristics of Indian women entrepreneurs and their role and lastly we discuss about some the challenges and issues related to women entrepreneurs in globalized era. Secondary data available from different sources used as research tools for this paper. It is concluded from this paper that women’s entrepreneurship are increasingly recognized as a valuable tool for economic development and society well beings. Policy makers must encourage the programmes and initiatives regarding facilitating entrepreneurial endeavors’ by women in the economy and increased contribution of women in the labour force is a prerequisite for improving the position of women in society and self-employed women.

KEYWORDS: Entrepreneur, Business Enterprise, Global, Environment, Strategic Issues & Challenges.

INTRODUCTION

Women Entrepreneurs may be defined as the women or a group of women who initiate, organize and operate a business enterprise. Like a male entrepreneurs a women entrepreneur has many functions. They should explore the prospects of starting new enterprise; undertake risks, introduction of new innovations, coordination administration and control of business and providing effective leadership in all aspects of business. A large number of women around the world have set up and managed their own businesses. It was not easy for these women to succeed in business. They had to face a lot of difficulties and overcome a number of barriers to become successful in their ventures. They had to deal with bias and withstand the disbelief of society, and also put in more effort than men to prove their credibility to others.
Women’s entrepreneurship has been recognized during the last decade as an important untapped source of economic growth. Women entrepreneurs create new jobs for themselves and others and by being different also provide society with different solutions to management, organization and business problems as well as to the exploitation of entrepreneurial opportunities. However, they still represent a minority of all entrepreneurs. Thus there exists a market failure discriminating against women’s possibility to become entrepreneurs and their possibility to become successful entrepreneurs. This market failure needs to be addressed by policy makers so that the economic potential of this group can be fully utilized.

Women in entrepreneurship has been largely neglected both in society in general and in the social sciences. Not only have women lower participation rates in entrepreneurship than men but they also generally choose to start and manage firms in different industries than men tend to do. The industries (primarily retail, education and other service industries) chosen by women are often perceived as being less important to economic development and growth than high-technology and manufacturing. As a consequence, equal opportunity between men and women from the perspective of entrepreneurship is still not a reality and in order to this policy makers should address this issues. In order to realize the benefits of policy changes it is important to add in a women entrepreneurial dimension in considering all SMEs and growth policies (e.g. meeting women’s financing needs at all stages of the business continuum; take-up of business development and support services; access to corporate, government and international markets; technology access and utilization; R&D and innovation; etc.). Moreover this means periodically evaluating the impact of these measures on the success of women-owned businesses and exchanging good models and best practices, through cooperation with leading international organizations such as the OECD, European Union, APEC, UNCTAD and the ILO, in order to continually improve policies and programmes. Policy makers must encourage the networking of associations and encourage co-operation and partnerships among national and international networks and facilitate entrepreneurial endeavors by women in the economy. Women’s entrepreneurship is both about women’s position in society and the role of entrepreneurship in the same society. Women are faced with specific obstacles (such as family responsibilities) that have to be overcome in order to give them access to the same opportunities as men. Also, in some countries, women may experience obstacles with respect to holding property and entering contracts. Increased participation of women in the labour force is a prerequisite for improving the position of women in society and self-employed women.

CHARACTERISTICS OF WOMEN ENTREPRENEURS

The broad classification of women business owners include women who establish, inherit, or acquire a business; women who start businesses with spouses or business partners but are either at the forefront or behind the scenes; and finally, women who start fast-growing or part-time or slow-growing firms. However, more recent studies have shown that there are far more similarities than differences between women and men entrepreneurs in terms of psychological and demographic characteristics. The dominant predictors of success in case of women entrepreneurs are work experience and years of self-employment. Generally, women view their businesses as a cooperative network of relationships rather than as a distinct profit-generating entity. This network extends beyond the business into the entrepreneur’s relationships with her family and the community.
Women entrepreneurs share these characteristics: sharp communication skills, inborn people skills, consensus building competencies, and encouragement, integrating abilities. Women need to use all these skills as they strive to make appropriate decisions for their families and for themselves. A series of various researches have shown that the workforce of women-owned businesses tend to be more gender balanced than the workforce of men-owned businesses, although women business owners are more likely to hire women. Simply, an investment in women's entrepreneurship is an investment in the economic independence and well-being of all women.

There are following traits of personality of women entrepreneurs:

- Risk taker
- Opportunist
- Inventor
- Commercialiser
- Trader
- Innovator
- Flexible
- Need for achievement
- Internal control
- Self confident
- Pragmatic
- Proactive
- Visionary
- Tolerance of ambiguity
- Desire for independence
- High energy
- Ability to bounce back
- Results oriented
- all rounder
- Decisive
- Self Motivated
- Flair

**WOMEN ENTREPRENEURSHIP IN GLOBALISED ERA**

Globally many women are entrepreneurs and they are running their business smoothly. Basically entrepreneurship emerges from an individual’s ingenious spirit into long-term business ownership, job creation, and economic security. Women bring responsibility and reliability because they care about economic empowerment, entrepreneurial development and innovation. Women entrepreneurs seek the professional and personal support that is found in business associations. Globalization has encouraged the expansion of business ownership. The global impact of women entrepreneurs is just beginning to gain strength. Worldwide, the number of female business owners continues to Women Entrepreneurs in the Global Economy increase steadily. For example, women produce more than 80 percent of the food for Sub-Saharan Africa, 50-60 percent for Asia, 26 percent for the Caribbean, 34 percent for North Africa and the Middle East, and more than 30 percent for Latin America.
GLOBALLY TRENDS IN WOMEN ENTREPRENEURSHIP

Women entrepreneurs are active at all levels domestically, regionally, and globally and they are significantly affecting the global economy. Women in advanced market economies own more than 25% of all businesses and some of the countries information is available below from the secondary sources:

In Europe and Newly Independent States Transition Economies – women are 25% of the business owners and in USA - women own 38% of all businesses (8 million firms), employ 27.5 million people (or 1 in 5 workers), and generate $3.6 trillion in annual sales. In UK, there are approximately 1,013,000 self-employed women (7.6% of women in employment) and 2,706,000 self-employed men (17.4% of men in employment) in the UK. Survey evidence indicates that businesses that are wholly or majority female-owned account for between 12.3% - 16.5% of the UK business stock. A large proportion of female entrepreneurial activity takes place in businesses that are co-owned equally by men and women. If the definition of women’s enterprise included co-owned businesses (an approach often used by US researchers), it is estimated that between 34.1% - 41.2% of the UK small business stock is either owned or co-owned by women. (Carter et al., 2006). For Canada - There are more than 821 000 women entrepreneurs and they contribute to an excess of CAD 18 109 billion to the economy annually. In South Africa, the total entrepreneurial activity rate for men is 8.1% compared to 4.9% for women. Men are 1.7 times more likely to be involved in entrepreneurial activity than women. This is slightly higher than the corresponding global average for 2002 of 1.6 times more. The overall difference between entrepreneurial activity rates of men and women in South Africa is largely due to the much higher opportunity entrepreneurial activity rates amongst men and in France women entrepreneur’s head one in four firms while in Russia, women own 64% of firms employing 10 people or more and in Germany, women have created one-third of the new businesses since 1990 representing more than one million jobs. There are a total of 1.03 million women-owned businesses in Germany. Women-owned and managed businesses having annual turnover of at least Euro 16 620 number 522 000, represent 18% of the total in this group, and provide jobs for 2 million employees. In Japan 23% of private firms are established by women while in China women owned 25% of the businesses since 1978.

Although information about women entrepreneurs keeps proliferating, comparatively little is known about women business owners, particularly in developing countries. Several researches have shown that women-owned firms comprise between one-quarter and one-third of all the businesses in the formal economy and are expected to play an even larger role in informal sectors and various studies of entrepreneurial behaviour, women have expressed confidence about the future of their businesses and about their role in the economy.

A study conducted by NFWBO (National Foundation for Women Business Owners) has highlighted that the most important issues cited by women business owners around the world included maintaining profitability, managing cash flow & bill payment, attracting & keeping quality employees, access to latest technology, access to capital for business growth, and government corruption. Even though women entrepreneurs all around the world share these similar reasons for starting their businesses, there are some stark differences for women in other countries that are worth noting.
In India, women’s’ entry into business is a new observable fact. It can be traced out as an additional room of their kitchen activities. With the growing awareness about small or medium businesses and spread of education among women over the period, they have started shifting from kitchen activities to involve in doing business activities. Women entrepreneurs manufacturing solar cookers in Gujarat or owning small foundries in Maharashtra or manufacturing capacitors in Orissa have proved beyond doubt that given the opportunities, they can excel their male counterparts. Women entrepreneurs usually begin their businesses to escape unemployment and to gain independence in decision-making. Although male entrepreneurs in India face many of the same barriers faced by women entrepreneurs, but the most important barrier to women’s participation in India that has been the view that women are less pre-destined than men to manage and participate in the country’s economic life because of their family obligation. An investigation of entrepreneurs in India has highlighted that women-owned businesses are make bigger despite a gap in access to capital. As in other parts of the world, the women in India were concerned with getting more education in the areas of business, management and technology issues.

Research among Women entrepreneurs in India has highlighted the following strong points in their favour: cheap labour, above average technical & intellectual level of women entrepreneurs, investment growth, growing demand for products, growing awareness of female entrepreneurs for finance and marketing organizations, growing need to form partnerships. However to make dreams come true and to turn visions into reality, certain extra efforts are being explored like monitoring the environment by raising political awareness on this issue, working to make the India’s female economically independent, reassessment of traditional customs & values to sustain the development of women, better credit facilities for women, a better distribution of aid towards female organizations, aid for educating young women, training women entrepreneurs to upgrade marketing and product knowledge, etc.

**CHALLENGES & ISSUES FOR WOMEN ENTREPRENEURSHIP IN INDIA**

Even though women have achieved credibility as competent entrepreneurs in areas such as retail, personal services and business services, perceptions that women-owned businesses are less successful, credit worthy & innovative continues to be a barrier.

**CHALLENGES**

- Proper Supplement and better access to finance/credit is mentioned very frequently. Give a woman 2000 rupees and she can start a business. Give her another 2000 rupees and she will be able to feed not only for her family, but for her employees as well.

- Access to business support and information, including better integration of business services.

- Training on business issues and related issues.

- Proper help in access to local and foreign markets.
Main focus should also be given to Day care centers & nurseries for children, and also for the elderly.

Positive image-building and change in mentality amongst women, whereby women see themselves as capable achievers and build up confidence.

Breaking through traditional patrons and structures that inhibit women’s advancement.

Role modeling of women in non-traditional business sectors to break through traditional views on men’s and women’s sectors.

More involvement and participation in legislation and decision-making processes.

Removing of any legislation which impedes women’s free engagement.

Establishing and creating awareness at the governmental as well as private level to truly and really create entrepreneurial opportunities and not just programs that stay on paper.

**ISSUES**

Women barely develop network with other women who are successful entrepreneurs. This results in a negative impact on their networking skills.

- Sometimes women entrepreneurs can’t balance between personal and professional life, thus which have negative impacts on the capacity for entrepreneurial activities.

- Acceptance by whole society means from family and friends not possible which hampering in becoming entrepreneurs. If they want to be a successful entrepreneur, the society must accept her and try to assist her in her daily life activities.

- Providing safe environment from right of her beginning to make them confident and intelligence.

- Discrimination – it is hard to believe but women are still treated differently in our society. Women do get lower salaries compared to men doing the same job; women do not have access to men dominated networks who take their decisions about successors in the company during their absent.

- Missing networks – through century’s business men have build up their networks but women still have to learn to catch up.

- Hard to find finance/credit without being help taken by their family or friends.
CONCLUSIONS AND SUGGESTIONS

A possible suggestion can be aimed to “pushing” a larger number of women entrepreneurs towards growth opportunities, unlocking their potential as creators of wealth and jobs, and providing a more favorable legal and regulatory framework. These suggestions can also ensure the proper positioning of “pull mechanisms” to enable the growth-oriented women entrepreneurs to expand and grow in terms of investments, markets and profits.

Trained from Initial Stages: There is a large and seemingly ever-increasing number of women entrepreneurs operating in micro-enterprises and in the informal economy. They can be facilitated to grow into sustainable, formally registered & large enterprises with the help of following actions:-

- Conducting gender analysis for all entrepreneurial support programmes
- Gathering data on women and men entrepreneurs
- Applying “target group segmentation” to women entrepreneurs
- Using targeted approaches for priority categories in order to provide additional “push” to women entrepreneurs to the next level of growth
- Promoting mobilization and organization of representative associations
- Examining differential impacts of governmental policies, programmes and actions
- Promoting development of demand-led supports for women entrepreneurs
- Promoting more flexible and innovative financial products by banks

Need of favorable legislative and regulatory framework: Policies, laws and overall regulatory environment are frequently seen as barriers and disincentives to expansion and growth. However, they need to be promoted in such a way that women entrepreneurs see the advantages of and benefits that come with compliance.

- Reviewing impact of existing and new instruments on women entrepreneurs
- Identifying those instruments that act as barriers to expansion and growth
- Modifying or dismantling these instruments
- Taking account of the social and cultural contexts affecting policy implementation and redress inequalities and abnormalities
- Making use of IT and associations so as to minimize the administrative burdens on women entrepreneurs
Holding regular consultations with key factors like women entrepreneurs, women entrepreneurs’ associations, financial institutions, etc, to review progress and identify new bottlenecks.

Projecting and Pulling to Grow and Support the Winners: The first two above suggestions are aimed at trying to “push” more women entrepreneurs into growth situations as well as ensuring that laws & regulations do not stand in their way. This suggestion relates to facilitating and “pulling” the women entrepreneurs into situations where they can actively pursue growth strategies.

- Providing incentives for expansion and growth after removing barriers and disincentives
- Encouraging and rewarding dynamic representative associations of women entrepreneurs
- Promoting strong links and synergies with existing major economic players
- Profiling the economic and social contributors among women entrepreneurs to the national economy
- Promoting and rewarding programmes that serve women entrepreneurs
- Making full use of data gathered to inform new policies, programmes and supportive actions
- Ensuring synergies between (a) women related ministry (b) economic ministry (c) welfare & social development ministry in the government.

After the almost 63rd years of India’s Independence, still we not fulfill our promises of equality of opportunity in all spheres and especially for Indian women and laws guaranteeing for their equal rights of participation in political process and equal opportunities and rights in education and employment were enacted and very unfortunately, the Government sponsored development activities have benefited only a small section of women. The large majority of them are still unaffected by change and development activities have benefited only a small section of women i.e. the urban middle class women. The large majority of them are still unaffected by new initiatives and development programmes of Indian government. In this study we have assessed the importance of women’s entrepreneurship and role in globalized era through various literatures available from different secondary sources. As we still do not know enough of the entrepreneurial process and women we have argued that better knowledge about the economic importance of women’s entrepreneurship and their particular strengths, weaknesses and opportunities, is central. As low rates of women’s entrepreneurship are both related to the status of women and the status of entrepreneurship, we have suggested that increasing the abilities of women to participate in the labour force and generally to improve the position of women in society and generally increase the possibility to engage in entrepreneurship is central. However, more targeted initiatives are also needed to support women entrepreneurs and would be entrepreneurs. In a world of rapid change, all entrepreneurs must have the flexibility and creativity to meet the changes they face. The importance of a strong, mindful vision that can lead
toward a better world. But without directly tracking, observing, surveying, and interviewing individual enterprise owners it is difficult to understand with clarity and assurance the current entrepreneurial movement or women’s economic opportunities. Globally, women are enhancing, directing, and changing the face of how business is done today. Ultimately, female business owners must be recognized for who they are, what they do, and how significantly they impact the world’s global economy. With relevant education, work experience, improving economic conditions and financial opportunities, more women around the world are creating and sustaining successful business ventures. This will not only have an impact on the economies of the countries in which women own their businesses but also will change the status of women in those societies. It is likely that, as we begin this millennium, this will be the century of the entrepreneur in general and of the women entrepreneur in particular.

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