

WOMEN ENTERPRISE IN TELANGANA – AN EMERGING SCENARIO AFTER PARTITION

Jahnabi Chimbili^{*}, Syed Khalid Perwez^{**}, Ravi.N Thodla^{***} and T.N.V.R. Swamy^{****}

Abstract: Women Entrepreneurship is one of the pivotal factors for the economic development of a country. Entrepreneurship provides benefits in terms of social and economic growth of women and also offers them independence from the traditional thinking of the society which has been a practice since olden days. The main purpose of this paper is to show the existing position of women enterprises in the state of Telangana, challenges faced by them especially after partition of the state. Most of the women entrepreneurs are confined to the small-scale businesses, who with the help of Government and other institutions can definitely create a wave in the field of entrepreneurship equal to men.

Keywords: Entrepreneurship, Women empowerment, Economic Development.

INTRODUCTION

In the words of APJ Abdul Kalam “Empowering Women is a prerequisite for creating a good nation, when women are empowered, society with stability is assured. Empowerment of women is essential as their thoughts and their value systems lead to development of good family, good society and ultimately good nation”. Women Entrepreneurship can be delineated as an act of business ownership and business creation that in ambition to empower women economically and increase their economic strength as well as position in the society.

Women entrepreneurs have been on a roll in various countries such as Canada, Great Britain, Germany, Australia and United states and have successfully made their presence to be felt in areas like retail trade, restaurants, hotels, education, insurance, manufacturing etc. But the same cannot be said about the scenario existing in India, where women still face a lot of hurdles when entering into entrepreneurship.

A woman entrepreneur is expected to play the role of a home maker as well as pushed to find successful ground as a business women, both of these roles often clash with each other, adding more into the basket of challenges faced by women. Moreover, when compared to male counterparts, they are prone to face more problems while running their business.

^{*} Ph.D. Research Scholar, VIT Business School, VIT University, Vellore-632014, Tamil Nadu, India. Email: jahnabi.chimbili@gmail.com

^{**} Associate Professor, VIT Business School, VIT University, Vellore-632014, Tamil Nadu, India. Email: khalid_mba@rediffmail.com

^{***} Professor, SRM University, Chennai, Tamilnadu, India. Email: ravithodla@gmail.com

^{****} Associate Professor, VIT Business School, VIT University, Vellore-632014, Tamil Nadu, India. Email: swamy.t@vit.ac.in

This study aims to outline the existing scenario of women enterprises in references to the state of Telangana, draw a brief picture about the challenges faced by them and sanguinely expects to provide some suggestions to improve the present scenario.

OVERVIEW OF THE STATE

Telangana is the 29th state of India, formed on the 2nd of June 2014. With an area of 1,12,077 Sq. Km and population of about 3 million. After decades of movement for a separate State, Telangana was created by passing the AP State Reorganization Bill in both houses of Parliament. Telangana is surrounded by Maharashtra and Chhattisgarh in the North, Karnataka in the West and Andhra Pradesh in the South and East directions. Major cities of the state include Hyderabad, Warangal, Nizamabad and Karimnagar. The sex ratio is defined as the number of females per 1,000 males. This ratio for the state is 988 according to 2011 Census.

REVIEW OF LITERATURE

Ch. Srilatha Vani and P. Srilatha 2015 stated that women entrepreneurs play an important role in local economies and a large percentage of micro-enterprises in developing countries are undertaken by women. Through that, they are becoming economically independent and providing employment opportunities to others. Economic empowerment of women and entrepreneurship led to development of family and community. Micro – enterprises not only enhance national productivity, generate employment but also help to develop economic independence, personal and social capabilities among rural women.

Supriya Garikipati, 2007 in her work states ‘The Impact of Lending to Women on Household Vulnerability and Women’s Empowerment: Evidence from India’ states that Impact evaluation studies routinely find that lending to women benefits their households. However, a number of them also find that this may not empower the women concerned. The seemingly paradoxical conclusion is confirmed by her study with respect to a lending program in rural India. They investigated their result by examining a combination of loan-use data and borrower-testimonies to find that loans procured by women are often diverted into enhancing household’s assets and incomes. This combined with woman’s lack of co-ownership of family’s productive assets, brought them into the conclusion that results in women disempowerment.

Mitra, Reshmi, 2002 tried to find the negligible presence of firms owned by women entrepreneurs in the large firm bracket suggests that there may be an iron ceiling in operation for women business owners, through the glass ceiling for corporate women which has been widely documented. Her conclusion stated the reason to be because of gender related discriminatory factors that create barriers to growth or because women define business goals more broadly to include variables apart from growth. The objective of the paper was to investigate whether women

entrepreneurs in India can be broadly classified into distinct types based on motivation, level of acceptance of conventionally defined gender roles, position in the lifecycle of the entrepreneur and relational support factors. The paper proposed a broadened life cycle model which looks at differences in the importance of resource and decision variables for women entrepreneurs of different types and traces the patterns of growth in these firms.

Dr. Ajay Sharma, Ms. Sapna Dua and Mr Vinod Hatwal 2012, conducted a research on Women entrepreneurs' and how they play an important role in local economies and a large percentage of micro-enterprises in developing countries are undertaken by women. Rural women frequently have primary responsibility for agricultural production, in addition to domestic responsibilities and childcare. According to them, developing country like India where economic status of women is very pathetic especially in rural areas and opportunities of earning are very less in this scenario the Self Help Groups (SHGs) have paved the way for economic independence of rural women. Their paper reviews concisely the literature in this field and addresses in particular opportunities and challenges faced by women entrepreneurs in rural areas. It examined the impact on women empowerment through micro entrepreneurship development and SHGs.

Dr. S. Tarakeswara Rao, Prof. G. Tulasi Rao and Mr. M.P. Suri Ganeshdrew concluded that not only money is the sole objective among woman entrepreneurs to enter in to the business but socio-economic background is an important factor that influences the woman to start their business. The studies relating to woman entrepreneurs in rural areas further reveal that training and awareness regarding different agencies have proved beneficial for women entrepreneurs in building confidence. Since entrepreneurship development involves provision of additional channels of funds in the form of working capital and credit, training, management skill etc., DWCRA with an entrepreneurial development of women provides all these inputs by considering women as critical to development. Their work aims at not only raising the income of rural women of poor households, but also enabling organized participation of groups in the programme of credit, skill training and infrastructure support for self employment in groups who cannot take up economic activities, individually as their own.

Mogilicharla Anitha and Venugopal Reddy, 2003, conducted their study in Ranga Reddy district which revealed that most of the women entrepreneurs were in young age and had education up to intermediate. Slightly less than three-fourth of them had not undergone any training and one-eighth of them had undergone training for about 3-6 months in the field of fabric designing. More than one-fourth of women entrepreneurs had an annual income from ₹80,000-1,60,000 and more than half of women entrepreneurs had no past experience in any entrepreneurial activity. Majority of them had high leadership ability and seeking information always from Newspaper, Television and handicrafts office, had high-risk management

and achievement motivation. More than half of women entrepreneurs had high self-confidence, creativity and marketing behavior. Majority of them preferred siticable and pamphlets for advertising their products. More than three-fourth of women entrepreneurs had high bargaining power and competitive spirit. Nearness to market, success stories of other women entrepreneurs and information provided by friends and neighbors were the main sources of awareness for the women entrepreneurs.

OBJECTIVE OF THE STUDY

Outline the existing scenario of women enterprises in reference to the state of Telangana, draw a brief picture about the challenges faced by them and provide suggestions to improve the present scenario.

RESEARCH METHODOLOGY

This empirical study is exploratory in nature and mostly uses descriptive statistics. It is purely based on secondary data.

LIMITATIONS OF THE STUDY

Only secondary data has been relied for information while conducting this study.

ANALYSIS AND INTERPRETATION

The Global Entrepreneurship Monitor (GEM) found out that 126 million women are engaged in businesses, and 98 million are operating established businesses over a period of three and a half years. That accounts to 224 million women impacting the global the global economy. As inferred from the data given below, we can draw conclusion that female entrepreneurs are generally lagging behind their male counterparts globally.

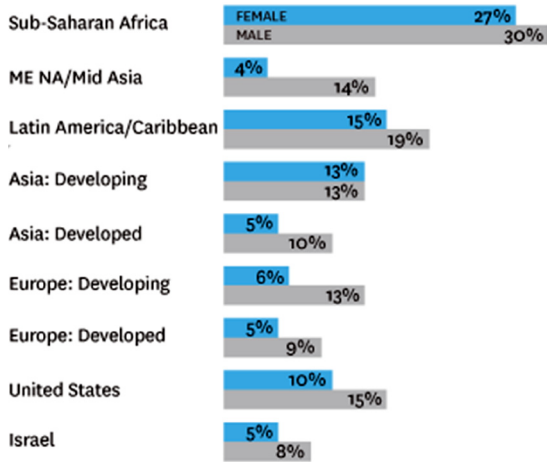
India ranked 29th of 31 countries in the 2015 Global Women Entrepreneurs Leader report by ACG Inc, a consultancy, above only Pakistan and Bangladesh. It is alarming to notice that with 17 points of a possible 100, India fared worse than countries such as Nigeria, Uganda and Ghana, which are considered to be 'third world countries' and see less economic prosperity when compared to India. The report observed that in India and other low ranked countries, unequal inheritance rights for women and work restrictions limited their access to startup capital and collateral. This tells us about the arrested state of development seen by the country in terms of women enterprises.

A report published by ministry of statistics and programme implementation, government of India says that no more than 14% of business establishments in India are run by female entrepreneurs (*Sixth Economic Census National Sample Survey Organization*). This implies that there are 58.5 million businesses in India, of which

8.05 million are managed by women, employing over 13.48 million people. These enterprises range from corner shops to venture funded startups.

COMPARISON OF MALE AND FEMALE TOTAL ENTREPRENEURIAL ACTIVITY RATES BY REGION

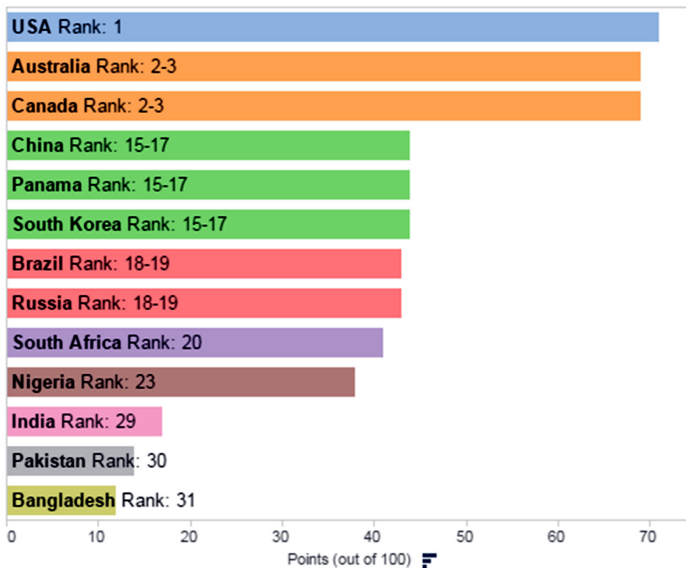
While increasingly a recognized force, women's entrepreneurship still lags behind men's.



SOURCE: GLOBAL ENTREPRENEURSHIP MONITOR (GEM) 2012

HBR.ORG

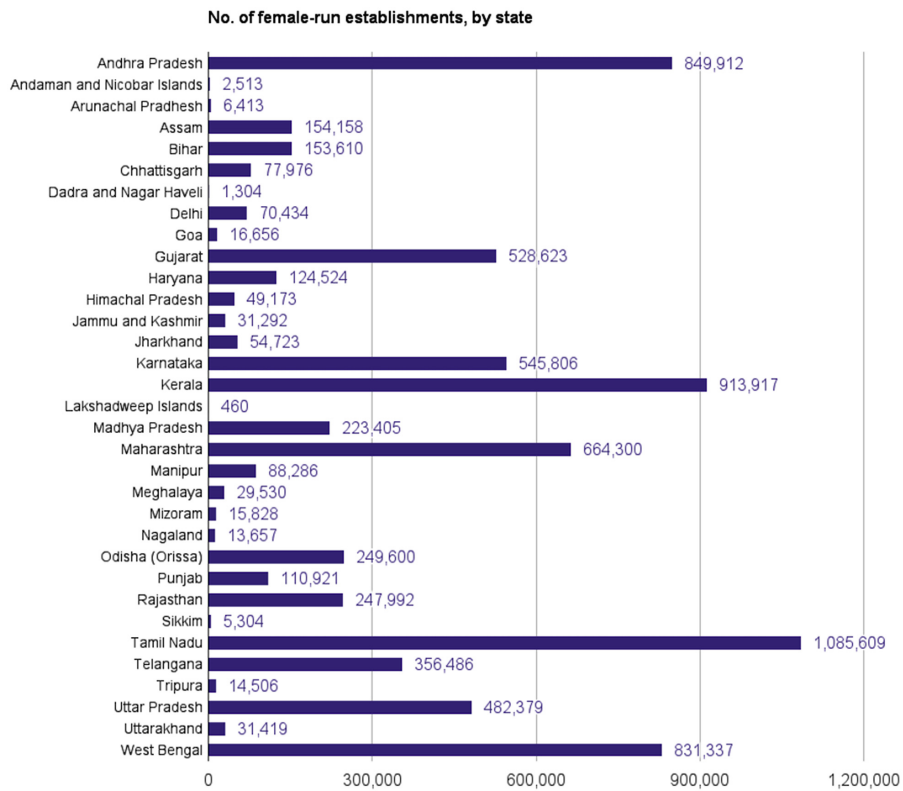
Global Ranks



Source: 2015 Global Women Entrepreneur Leaders Scorecard.

Women enterprise is known to have shown a rather bilateral perspective, in the sense that even though there has been impressive growth in the number of firms run by women entrepreneurs in India, most of these businesses continue to remain small. Not even a single entrepreneurial firm promoted or run by a woman has figured in any top 100 business list. In addition to that, there is almost complete absence of women run enterprises in the large firm group hinting that women-owned firms have not grown as fast as those of their male counterparts, such as Reliance, HCL and Core Healthcare, which have achieved significant scope and scale within comparable time spans.

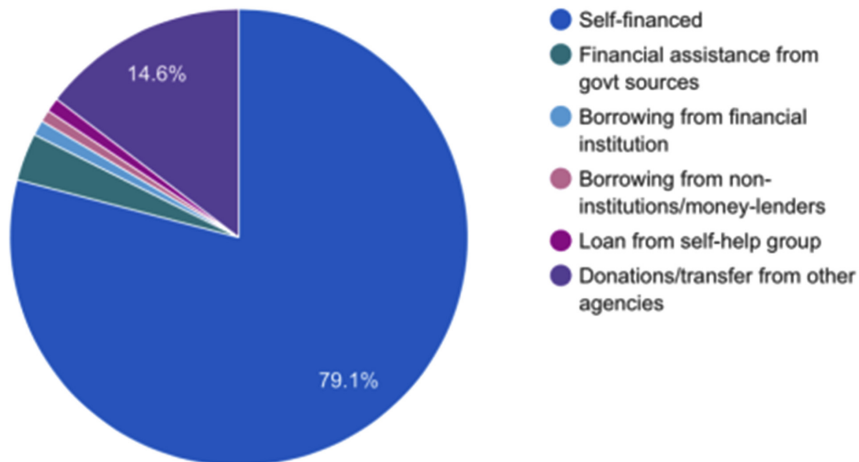
As reported by Ministry of Statistics and Programme Implementation, Government of India, Southern states lead the way when it comes to women enterprise, with Tamil Nadu and Kerala being the leaders (1.08 million and 0.91 million) female run establishment .Telangana has not been able to engage in even half of this number by having a total of only 356,486 female run establishment in the state.



Source: (<https://i1.wp.com/thewire.in/wpcontent/uploads/2016/05/SI3.png>)

In the era of women empowerment we see varied types of initiative being taken to empower women in entrepreneurship to encourage women to make a permanent mark in the patriarchal society existing today. Many independent foundations are providing them with basic necessities such as entrepreneurship and leadership skills, practical management education, training for mentoring, advising and networking. Most of the female run enterprises are self financed, as can be seen from the graph shown below, around 79% of the enterprises are self funded.

Female-run establishments: Sources Of funding

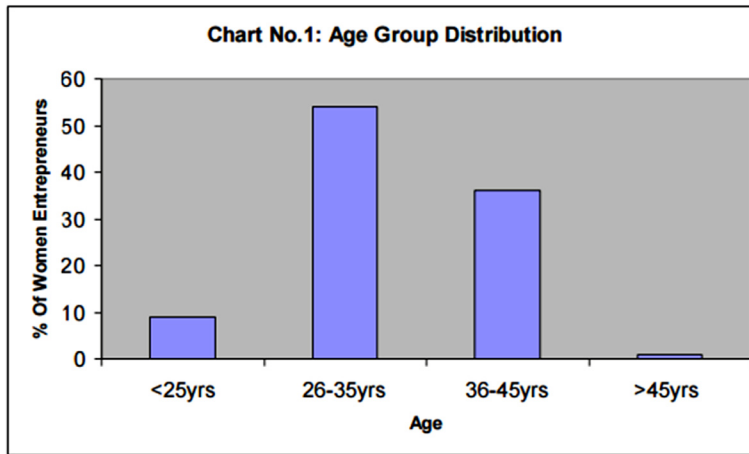


Source: Sixth Economic Census

According to a report published by the Hindu in 2013 women belonging to the weaker section of the society tend to become more economically independent. They are not habituated to their husbands earning and nothing deters these women from shouldering responsibility and trying to contribute to the well being of their families.

It is a common misconception persisting in the minds of people that women enter into the field of business in the latter part of their age, but a study conducted has proved that most of the women start to pursue their businesses at the age of 26-45 years, contrary to the popular belief.

The state of Telangana has actively identified the problems and has started to take corrective measures to counter it. The Telangana State Industrial Infrastructure Corporation (TSIIC) and Hyderabad chapter of Ficci Ladies Organization (FLO) has announced to set up a Women Entrepreneur's Industrial Park. They plan to increase their 2025 targeted GDP of 16 per cent to 60 per cent by enabling women to participate in the economy on par with men in the state.



Source: A Study on Women Entrepreneurs

Also, all category of women entrepreneurs are encouraged by providing 10% additional investment subsidy on fixed capital investment as per the industrial Policy.

OBSTRUCTION TO WOMEN ENTREPRENEURSHIP

- (a) **Access to Finance:** The foremost barrier which is faced by women is their inability to acquire the needed financial investment to set up their own business. On an average, women have less access to basic banking services such as checking and saving accounts this has led to many female entrepreneurs relying solely on their own savings, loans from family and friends, or micro-loans to finance their business needs.
- (b) **Informal Sector:** Another major hindrance faced by Women entrepreneurship is that it is largely skewed towards smaller firms and approximately 90% of these fall under informal sector. Female ownership and employment is concentrated in less profitable and more competitive sectors such as food, garments and retail, on the other hand male ownership and employment tend exist in more profitable sectors such as materials and construction.
- (c) **Access to Markets and Networks:** Lack access to proper training and experience meddles with the ability of women to tap into new markets which requires expertise, knowledge and contacts. Since majority of them function on a small scale, there is also lack access to sufficient market information such as prices, inputs and competitors.
- (d) **Skill gap:** There exists a lack the combination of education, vocational and technical skills, and work experience among women which is highly needed to support the development of productive businesses. In contrast,

Male entrepreneurs are more likely than female entrepreneurs to have been employed in the wage sector prior to starting a business.

SUGGESTIONS

- (a) There is a need for active awareness regarding incentives and concessions available for women entrepreneurs by the Government and other developmental institutions through various media so that more women can get involved.
- (b) Training institutions should be encouraged by the government so that they organize skill imparting development programs for women entrepreneurs.
- (c) Proper training and development programmes should be administered at the college and school level to encourage and motivate girls to enter into the field of entrepreneurship.
- (d) Adequate financial support should be provided by banks and other financial institutions to help women in early as well as continuing stages.
- (e) A socially acceptable and supportive environment should be created to support and enhance women enterprises.

CONCLUSION

The economy of India is witnessing a drastic change since mid 1991 with a new policy of liberalization, globalization, privatization initiated by Indian Government. India has great entrepreneurial Potential. Women entrepreneurship has gained momentum in last three decades with the increase in number of women enterprises and their contribution to economic growth but still there is a low work participation rate of women involvement in economic activities. Women are essential for social as well as economic development of any state, let alone Telangana. A major road block for women has been the lower status given to them by the society and the constant need to prove one's capabilities in the patriarchal facet of being. Women are becoming integral part of the economy even if their number is substantially less than men in the same field. Even if they are majorly present in the small-scale industries they have the capability to expand and flourish if provided with the right moral support and tools. Even in these hardships some women have been able to stand tall from the rest of the crowd and establish themselves successful through their hard work, will power and competence.

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