

AN EMPIRICAL INVESTIGATION OF WOMEN ENTREPRENEURSHIP DEVELOPMENT: A CASE STUDY IN BAGALKOT DISTRICT, KARNATAKA

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Abstract

The process of women entrepreneurship development is a recent phenomenon in India which came into prominence after 1970s. Emergence of women entrepreneurs as a visible income generating category is on rise. Their contribution to the national economy is also become visible now in India. The number of women entrepreneurs has grown over a period of time, especially after the 1990s. Concept of women entrepreneurship is basically defined as a process where a woman initiates a business idea, gathers resources, creates an enterprise by providing leadership to make it a commercial success and aspired to achieve a dramatical height. Women entrepreneurs have been defined by Oxford Dictionary as, "one who undertakes an enterprise, especially a contractor acting as intermediary between capital and labour" (Vinze, 1987). Women entrepreneurs represent that bulk of womenfolk, who are full of potentials and skills with a high degree of achievement motivation, fully utilize modern technologies, have set them on public investments, generate employment for others specifically women and set examples as trend setter (Chattopadhyay, 2005). Potentials found among the women entrepreneurs proved that they are capable of contributing much more than expected. With this realization women entrepreneurship has been provided with a huge scope of expansion in the last 45 years resulted in a successive growth rate in women's business and entrepreneurial participation to a growing rate of 14 percent in 2010 (Sixth Economic Census, 2013-14). Global Entrepreneurship Monitor Report on women provides a detail knowledge database of women doing businesses around the world. GEM shows that entrepreneurship is of varied importance in different regions of India. The liberalization of the economy in the 1990s has paved the way for a huge number of people to become entrepreneurs in India.

Keywords: Women, entrepreneurship, development, etc.

ENTREPRENEURSHIP IN INDIA

The term Entrepreneur is a highly respected word in the developed world. The word has been derived from the French word *entrepreneur* in the 17th century which means the person who undertakes the risk of new enterprise. A French economist Richard Cantillon was the first to use the concept of entrepreneur in economics. Indian economy has been witnessing a drastic change since 1991 due to economic liberalization, globalization and the policies of privatization. India has a great potential for entrepreneurship since long back. The changing socio-economic scenario has paved the path for entrepreneurship development in India after 1990s. Since economic reforms there has been lots of restructuring in the Indian labour markets in terms of employee's qualification, nature of work contents and work contracts. The changes have raised

the profile and importance of entrepreneurship in the Indian economy. Entrepreneurship can be either in born or achieved. There are various perspectives identified as the backdrop of entrepreneurship development in India. These include: a flair for innovation in the modern small scale industry; marked by a certain level of technology and sophistication; should have one or more of the skills like technical knowledge of products, marketing ability, managerial ability and the capacity of command over adequate financial resources; the background of the individual and a family background of business knowledge; one's own personality; work experience necessary for the identification of manufacture opportunities and most importantly facilities offered by the government policies and programmes. However, uncertain economic conditions perhaps act as a constraint to the growth of entrepreneurship.

OBJECTIVES OF THE PRESENT STUDY

Women in business and entrepreneurship are a recent development in Bagalkot district. Earlier they were seen to participate in some traditional home based or family based trades or petty trades with a huge number engaged in only domestic activities. But today there is gender role reconstruction found in terms of their increasing work participation. More and more women are inclined to participate either in wage employment or self-employment especially entrepreneurship. The present study aimed at highlighting various aspects and perspectives on women's participation in business and entrepreneurship in Bagalkot District.

The following are the brief aims and objectives of the present study;

1. To study the socio-economic background and also to know the various entrepreneurial roles performed by women entrepreneurs in the study area;
2. To study the financial assistance provided by various agencies and to study about the income accumulated in the study area;
3. To know the factors responsible for women to choose role as a entrepreneur and also to identifying the decision making capacity among women due to their entrepreneurial participation in the study area;
4. To examine the major problems and provide suitable policy measures to overcome those problems of women entrepreneurs.

METHODOLOGY

The study is conducted in Bagalkot district of the Karnataka State. The selection of the district made on the basis of purposive sampling. From the selected district, two taluks namely Bagalkot and Badami chosen for the purpose of study. From each taluk 55 female enterprises selected. Under this sample only those enterprises were selected whose total investment are less than 5 Lakh rupees, because most the units run by the women entrepreneurs do not come under macro enterprises. Sampling method is used in identifying respondents from two sub-divisions viz. Bagalkot and Badami of Bagalkot District. The questions of the schedule are basically of two types; close ended and open ended. Informal discussion also done with the respondents, staff and their family members in gathering valued information. In analyzing collected data, comparisons of different variables are done by using tabulation method. A descriptive statistical tool such as percentage, frequency was used in relevant contexts.

SOCIO-ECONOMIC BACKGROUND OF WOMEN ENTREPRENEURS

Now a day in Bagalkot district the trend of women's business and entrepreneurial participation is on rise. By and large they have confined themselves in different kinds of business and

entrepreneurial activities. Due to various push and pull factors women of this district are severally encouraged to undertake independent business. Because of economic reforms, globalization and social transformation different socio-economic background variables differently affected women's business and entrepreneurial participation. Some of these are discussed below:

Age of Women Entrepreneurs

Women's participation in trade and different commercial activities is not a new phenomenon among different age group. Traditionally they were seen to move within few selected area of operation but presently with the introduction of technology, skill based training programmes and market orientation, they have entered into various non-conventional ventures besides traditional ones. The representation of these age wise distribution of women entrepreneurs are discussed in table 1.

Table 1: Age-wise Distribution of Women Entrepreneurs in Bagalkot District

Sl.No	Age(Years)	Frequency	Percentage
1	21-30	19	17.27
2	31-45	48	43.63
3	46-55	25	22.72
4	56-65	16	14.54
5	Above 65	02	1.81
Total		110	100

Source: Field Study

In the present study (table 1) majority of businesswomen and women entrepreneurs are of middle age group, that is, 31-45 years (43.63 percent). This is because of the increase in leisure time of housewives due to schooling of their children. Women of higher middle age category i.e. 46-55 years (22.72 percent) also doing business in a good number followed by the young women category i.e. 21-30 years (17.27 percent). Young women are usually motivated by several push factors like educational and technical skill, self-esteem etc. in joining business and entrepreneurship. Lastly, the old age group i.e. above 56 years and above, doing business is very few (around 15 percent) in number.

Educational Attainment of Women Entrepreneurs

The process of entrepreneurship development is primarily dependent upon availability of educated and trained entrepreneurs. The study shows that educated women are enhancing the process of entrepreneurship development of this district. The Census of India 2011 records the total literacy rate of Bagalkot District at 68.82 percent, male 79.23 percent and female 58.40 percent respectively.

Table 2: Educational Attainment of Women Entrepreneurs in Bagalkot District

Sl.No	Qualification	Frequency	Percentage
1	Below V	07	6.36
2	V-X	15	13.63
3	XI-XII	26	23.63
4	Graduate	41	37.27
5	Post graduate and Other Degree	21	19.09
	Total	110	100

Source: Field Study

Above table shows majority (37.27 percent) of the respondents are graduate followed by XI-XII standards (23.63 percent), post graduate and other professionals (19.09 percent), V-X Standards (13.63 percent) and primary level (6.36 percent). Respondents with higher education are of the opinion that entrepreneurship seems to be an easier career opportunity than any other governmental job for which they had to wait for a long.

Occupational Background of Women Entrepreneurs

Business and entrepreneurial orientation among women is developed by various socio-economic circumstances. Occupational background of women is the most important one. In the present study (table 3) majority (34.54 percent) entered directly to the entrepreneurship and business without having any prior occupational experience, followed by those (30.90 percent) coming from other kinds of business activities, from other professional background (21.81 percent) and those from industry based works (12.72 percent).

Table 3: Occupational Background of the Women Entrepreneurs

Sl.No	Occupational Background	Frequency	Percentage
1	Profession other than Business	24	21.81
2	Business	34	30.90
3	Industry Based Work	14	12.72
4	Entered Directly	38	34.54
Total		110	100

Source: Field Study

Respondents with non-business background are mostly motivated by their husband or family members in participating business activities. Few other respondents are found to start with a single venture but after few years when became successful, started multiple entrepreneurial operation.

Support System of Women Entrepreneurs

Women entrepreneurs under study are supported several times by their family and various formal and informal bodies including different government, private, financial bodies, and other business officials. The kind of support they received is categorized into two types, that is, familial and formal support, which is discussed as follows (table 4).

Table 4: Support System of Women Entrepreneurs in Bagalkot District

Sl.No	Support System	Freequency	Percentage
Familial Support	Moral	97	88.18
	Financial	54	49.09
	Physical	21	19.09
Formal Bodies*	Moral	12	10.90
	Financial	31	21.18
	Physical	15	13.63

Source: Field Study

Note: *Formal bodies include government institutions, private business houses, financial and training institutions, public distribution agencies, business organizations, etc.

In the present study, respondents (88.18 percent) with moral familial support are more in number. Some of them get financial (49.09 percent) and physical support from their family members (19.09 percent) in purchase of raw materials and distribution of products. In case of support received from formal bodies few respondents (10.90 percent) are getting moral

support from business counselors. A good number of respondents (21.18 percent) are getting financial support with a few (13.63 percent) getting physical support from different formal bodies.

Various Entrepreneurial Roles Performed by Women

In the below table 5 distribution of women entrepreneurs in various entrepreneurial roles are discussed. Businesswomen and women entrepreneurs have to perform various roles depending on the nature of their business enterprise, such as, commercial role, service role and the role of manufacturer. Commercial enterprises only involve distribution and trading units particularly referred to business operation. While service entrepreneurs render essential services including those of skill based and humankind.

Table 5: Various Entrepreneurial Roles Performed by Women in Bagalkot District

Sl.No	Entrepreneurial Roles	Frequency	Percentage
1	Commercial	54	49.09
2	Service	21	19.09
3	Manufacturing	35	31.81
Total		110	100

Source: Field Study

These entrepreneurial roles usually do not involve manufacturing of products rather generate human services for development and growth of the venture. Manufacturing is associated with the small production and unit which operated as sub-contractors of wholesalers and independent manufacturing unit by whom social needs are fulfilled. Majority of the women entrepreneurs under study (49.09 percent) are performing commercial roles followed by manufacturer (31.81 percent) and service entrepreneurs (19.09 percent).

Factors Responsible for Entrepreneurial Choice by Women

Women entrepreneurship has been the result of interaction of several social, cultural and economic factors. These factors may be classified as personal characteristics and different background variables. There are various factors found responsible (table 6) for the growth of businesswomen and women entrepreneurs in this district. Broadly, these factors are identified as sheer economic necessity, additional income for the family, extension of help to family business, economic emancipation and out of own interest including others.

Table 6: Reasons behind Entrepreneurial Choice for Women in Bagalkot District

Sl.No	Reasons Behind the Entrepreneurial Choice	Frequency	Percentage
1	Sheer economic necessity	57	51.81
2	Additional income	23	20.90
3	Extending help to family business	60	54.54
4	Economic emancipation	87	79.09
5	Out of interest	26	23.63
6	Others	12	10.90

Source: Field Study

Among the respondents majority (79.09 percent) are doing business for economic emancipation, followed by those for extending help to family business (54.54 percent), sheer economic necessity(51.81 percent), out of own interest (23.63 percent), for additional income (20.90 percent) and other(10.90 percent).

Financial Assistance to Women Entrepreneurs

Various schemes are undertaken by different government and non-government organizations to assist businesswomen and women entrepreneurs financially. District Industries Centres, Small Industries Development Centre, State Bank of India, Gramin Bank has extended various kinds of financial assistance to businesswomen of low economic profile. Basically DIC has acted as an intermediary between loan seekers and banks or other financial institutions.

Table 7: Financial Assistance to Women Entrepreneurs in Bagalkot District

Sl.No	Financial Assistance	Frequency	Percentage
1	Governmental	08	7.27
2	Non-governmental	15	13.63
3	Familial	87	79.09
	Total	110	100

Source: Field Study

In the present study, financial assistance to women entrepreneurs has been classified into formal and familial bodies (table 7). Most of the respondents (79.09 percent) have received financial support from their family side (husband, parents or other relatives) followed by a few taken governmental (7.27 percent) and non-governmental assistance (13.63 percent). Various Industrial agencies and Banks are provided different scheme-based loans and subsidies to women entrepreneurs for their business and entrepreneurial projects. These agencies also arrange for platform for the distribution of their products and services. It is seen that family members especially husbands of married women entrepreneurs have financially supported them a lot.

Profit Accumulation by the Women Entrepreneurs

The study shows that women entrepreneurs are able to generate a standard profit margin for their enterprises and reinvest the same for further extension of their business enterprises. The present table 8 has focused upon the profit generation and accumulation by women entrepreneurs (monthly).

Table 8: Profit Accumulation by the Women Entrepreneurs in Bagalkot District

Sl.No	Amount of Profit Accumulation	Frequency	Percentage
1	1000-3000	36	32.72
2	4000-6000	51	46.36
3	7000-10000	13	11.81
4	11000-15000	07	6.36
5	16000-20000	01	0.90
6	Above 20000	03	2.72
Total		110	100

Source: Field Study

Majority of the respondents under study is doing small scale business and entrepreneurship. The total monthly profit accumulated by majority respondents is between Rs.4000-6000(46.36 percent), followed by those between Rs.1000-3000 (32.72 percent), Rs.7000-10000(11.81 percent), Rs.11000-15000 (6.36 percent), Rs16000-20000 (0.90 percent) and above Rs 20000(2.72 percent). Study shows that respondents are more preferred to reinvest a major amount of their profit to their business, but some of them who are little hesitant to reinvest the major amount of profit to their business.

Major Problems Faced by Women Entrepreneurs

Women entrepreneurs and businesswomen have to face numerous problems, in their efforts to develop business enterprises. Some of which are discussed here in table 9.

Table 9: Major Entrepreneurial Problems Faced by Women Entrepreneurs in Bagalkot District

Sl.No	Problems Faced	Frequency	Percentage
1	Location	09	8.18
2	Space	12	10.90
3	Staff or Labour	15	13.63
4	Competition	19	17.27
5	Lack of Access to Raw Materials	16	14.54
6	Lack of Access to Market	17	15.45
7	Without Problem	22	20
	Total	110	100

Source: Field Study

Such constraints in the workplace caused occupational barriers for businesswomen and hinder their growth as an entrepreneur. In the present study, (table 9) respondents are having different kinds of problems relating to entrepreneurship for example, competition (17.27 percent), lack of access to market (15.45 percent), lack of access to raw materials (14.54 percent), staff or labour problems (13.63 percent), shortage of space (10.90 percent) and location problem (8.18 percent).

Decision Making Capabilities of Women Entrepreneurs

The parameter of empowerment is defined by decision making capability of women. The more they are empowered more would be their chance of making decisions in all family matters including those of economic.

Table 10: Decision Making Capability of Women Entrepreneurs in Bagalkot District

Sl.No	Decision Making Capacity	Frequency	Percentage
1	Independently	47	42.72
2	In Consultation with Family Members	51	46.36
3	In Consultation with Others	12	10.90
	Total	110	100

Source: Field Study

The above table 10 shows that a good number of respondents (42.72 percent) are empowered in terms of taking decisions independently in all family and business matters. Among the respondent's majority (46.36 percent) are taking advices form their family members while few (10.90 percent) are advising their friends or distant relatives in family and business matters. There is no such imposition found among the respondents regarding decision making matters. Rather those who are consulting their family members, they do it from their own urge only. Apart from women's independent decision making capability, their terms and duration of involvement in entrepreneurship is another important indicator to understand women's commitment towards their enterprises.

DIFFERENT PROMOTIONAL PROGRAMMES FOR WOMEN ENTREPRENEURS

In Bagalkot district, a number of government and non-government organizations are working to develop business and entrepreneurial orientation among women. It is very

necessary to encourage and emulate unemployed women for business and entrepreneurship. Various governmental organizations, namely, Bagalkot Town Development Authority, District Industrial Centre, Small Scale Industries Development Centre, State Bank of India and other nationalized banks are promoting women entrepreneurship in this district. Various other non-governmental organizations, namely, Lions club, Rotary club, Federation of Chambers of Commerce, Mahila Samitis of different municipal wards and NGOs are working to develop business and entrepreneurship among womenfolk. The intention is to empower them, generate employment for unemployed both of educated and non-educated background and to utilize the trade and commercial potentials of this district. In the present study, focus has been given to the promotional and development activities of different entrepreneurial organizations and their assistance to women. Another attempt of the study is to examine to what extent businesswomen are aware of different promotional programmes of these agencies and organizations and women's ability to utilize various promotional services rendered by these agencies and organizations.

SUGGESTIVE MEASURES TO DEVELOP BETTER PROSPECTS FOR WOMEN ENTREPRENEURS

A continuous attempt to inspire, encourage, motivate and co-operate women entrepreneurs must be undertaken. Since some of the respondents are unaware of the available developmental programmes, therefore a mass awareness programme should be conducted. Attempts should be taken up by various NGO's and government organizations to spread information and policies, plan and strategies for incorporating women in the fields of industry, trade and commerce. There are several entrepreneurial skill developmental programmes run by District Industries Center, Sub-divisional offices and Municipal Corporations of the both Sub- divisions. But these are not enough to train the huge number of aspired businesswomen. There are limited seats in the programmes arranged by these institutions. Therefore, different vocational training should be arranged to enable more women to develop their professional competencies. Skill development programmes should be done in women's polytechnics and industrial training institutes. Educational institutes should tie up with various government and non-government agencies to assist in entrepreneurship development mainly to plan business projects. Women in business should be offered soft loans and subsidies for encouraging them into industrial activities. The financial institutions should provide more working capital assistance both for small scale venture and large scale ventures. International, National, Local trade fairs, Industrial exhibitions, Seminars and conference should be organized to help women to facilitate interaction with other women entrepreneurs. Women must be educated and trained constantly to acquire the skill and acknowledge in all the functional areas of business management. This can facilitate women to excel in decision making process and develop a good business network. Housewives should be motivated to earn additional income. A Women Entrepreneur's Guidance Cell should be set up to handle the various problems of women entrepreneurs all over the district. These would help them to discuss the problems, grievances, issues and complaints against constraints.

By adopting the above measures the problems associated with women entrepreneurs can be minimized. The economy of Bagalkot district is dynamic, the overall business prospects here is good. Therefore, it should definitely be the instant attempt to generate entrepreneurship among women to achieve inclusive growth. Women participate in many kinds of entrepreneurial

activities to complement to their family income though their participation in no way reduces their family duties. To improve the present condition of women entrepreneurs of this district, system of entrepreneurial education, training, subsidy, promotion and sustainability must be put into forefront. This would definitely motivate women to exploit their entrepreneurial talents more than earlier.

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