

## Women Education and Entrepreneurship as a Solution to Poverty

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*“That country and that nation which doesn't respect women will never become great now and nor will ever in future”*

### Abstract

Educating women and developing entrepreneurship skills in them are crucial in transforming them into an economically independent and globally relevant workforce. A country's economy gets immense boost when women take entrepreneurial ventures and generate employment. This article takes an in-depth view of how poverty can be alleviated when women step out their home and make distinct mark in the world of business. A society in which women are encouraged to realize their full potential has significant scope for innovation, economic growth, and job creation. While, many Indian women have ambitions towards entrepreneurship, they also struggle with less favourable conditions, pronounced cultural biases and a lack of business resources such as finances, capital, training and development. However, the government has launched several schemes to augment the entrepreneurial motivations of women.

### Introduction

Women entrepreneurship has been necessitated by the attempts to empower women and to help them achieve sustainable social economic status. This paper analyses the social economic sustainability of women's enterprises. It also examines the key approaches to eradicate poverty. Nobel laureates Abhijit Banerjee and Esther Duflo once said "poor countries are not doomed to failure because they are poor, or because they have had an unfortunate history". What often

needs to be fought, they say, is "ignorance, ideology and inertia". A society in which women are not encouraged to realise their full potential miss out on significant scope for innovation, economic growth, and job creation. This article seeks to provide a comprehensive overview of the situation of women entrepreneurs in India, and how women entrepreneurs work towards developing the economy of the country. It also focuses on actions that can support women's participation in entrepreneurship.

Over the last decade, the economy our country has grown steadily, and there has been a parallel surge in the number of startups and new businesses. In this competitive world, women entrepreneurs are actively working to initiate,organise and co-operate a business enterprise. Government of India has defined women entrepreneurs as an enterprise owned and controlled by a woman having a minimum financial interest of 51% of the capital and giving atleast 51% of employment generated in the enterprise to women.

### Current Scenario

Education especially elementary education plays a big role to enable women to take part in their own development and build their capacity to actively participate in formal markets. Despite the government's attempt to achieve the goal of bringing every child to school through the Sarva Shiksha Abhiyan, which has a special focus on girl children, students from humble backgrounds still do not attend school regularly. The situation is worse in case of girl children. It is even more difficult to retain the girls in schools than to enroll them. Early marriages make completing school almost impossible for girls from poor economic backgrounds. As a result adolescent girls end up spending their whole life doing household chores and child rearing. It is not only an unfortunate situation for the society but also for the economy of the country.

It is expected that India's booming manufacturing sector would require large labour force. But there is a huge gap in the supply and demand of labour. Federation of Indian Chambers of Commerce and Industry (FICCI 2011) in a survey on 'labour/skill shortage for industry' found that over 90% of respondents (companies) were facing a shortage of labour. About 89% of the

respondents said that they have been unable to meet the potential demand for their products in the market due to labour shortage.

A recent study has shown that there are a number of measures that can be taken to eradicate this labour shortage problem, and eliminating the gender gap in the labour market is certainly one of them. Transforming uneducated or half educated women from the disadvantaged groups of the society into skilled and employable workforce can make a remarkable impact.

In India, female workforce participation rate (WPR) is only 31.8%, which is almost half of the male WPR at 73.2%. While the states in the north-eastern part of the country, especially the hilly states, have performed well on female WPR, with Mizoram having the highest WPR at 61.3%, the situation is worrisome in Haryana, Uttar Pradesh and Punjab, with WPR as low as 9% in the latter.



**Top 5 states**

Mizoram	<b>61.3%</b>
Himachal Pradesh	<b>59.4%</b>
Meghalaya	<b>58.9%</b>
Arunachal Pradesh	<b>56.1%</b>

Telangana	<b>52.1%</b>
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#### Bottom 5 States

Punjab	<b>9.4%</b>
Delhi	<b>10%</b>
Uttar Pradesh	<b>14%</b>
Jammu and Kashmir	<b>16.4%</b>
Haryana	<b>16.5%</b>

*Source: Labour Bureau 2013-14*

### Skill Development and Women Empowerment: Key Approaches to Eradicate Poverty

The paper suggests different strategies that can be adopted in fostering women entrepreneurship as solution to poverty reduction in the developing economy. According to a study by Mckinsey Global Institute, India could improve its GDP by \$2.9 trillion by 2025, if female WPR is improved by 10 percentage points. This would be equivalent to bringing 68 million more women into the non-farm labour force. According National Sample Survey Organization (NSSO), there are over 30 lakh unemployed women in India in 2012. As on December, 2013, a total of 1.65 crore women had registered on employment exchanges. However, only 58.8 thousand women had been placed through these exchanges in the same year. Improving participation of women in the workforce goes a long way in reducing poverty. This would require improvements in access and quality of education, skill development and employment opportunities available to women. The government should encourage women to cultivate and nurture entrepreneurial spirit as a way of achieving gainful employment. Investment in gender equality and policy formulation and implementation of small and medium scale enterprises (SMEs) for women should be encouraged. Women entrepreneurs usually invest a higher proportion of their earnings in their families and communications than men as a result the economy of the country is improved. Credit advance and loans to women entrepreneurs usually results in improved income, output,

investment, employment and welfare of entrepreneurs considering the pivotal role of women in the household and community.

Ministry of Skill Development and Entrepreneurship has undertaken several initiatives to achieve a high rate of women participation in workforce that can give further boost to our economy and Skill India mission is committed to facilitate this through equipping women with market relevant skills and lead them to a path of self-sufficiency through entrepreneurship. Increasing the role of women in the economy is part of the solution to the financial and economic crises and critical for economic resilience and growth. However, at the same time, we need to be mindful that women are in the some context bearing the cost of recovering from the crisis, with the loss of jobs, poor working conditions and increasing precariousness. Among the mitigation factors, credit facilities are paramount.

Women especially from rural and poor background have been encouraged through several institutions, both government and non-government. They are supported by financial help from National Bank for Agricultural and Rural Development for the development of entrepreneurship. Many state governments are urging banks to prioritise credit to the women self-help groups. The three micro-finance agencies—Commercial Banks, Regional Rural Banks and Cooperative Banks—play an important role in the formation of self-help group–bank linkage programme in different parts of India. During 2007–2008, the commercial banks constituted 55 per cent of the total self-help groups linked with external credit and the cumulative amount lent to the self-help group was Rs.11, 39, 750/- crores, which constituted 63 percent of the total lending to the self-help groups. Regional Rural Banks also had a significant contribution to the self-help group–bank linkage programmes.

## Literature Review

Entrepreneurship especially women entrepreneurship and its connection with the development of a country has been of immense interest to researchers, academicians and policy makers. Kumar, S. M. et al 2013, Ogidi, A. E. (2014) opine that it is evident that women entrepreneurs contribute immensely to improve poverty levels, increased per capita income and employment creation.

According to the Government of India, woman entrepreneur is the one who assumes dominant financial control (minimum financial interest of 51 per cent of the capital) in an enterprise (Government of India, 2012). Women entrepreneurship is more common in younger age groups in comparison to older age groups (Dhameja et al 2000). Women entrepreneurs have diverse educational backgrounds (Patole, M., & Ruthven, O., 2002). Majority of the women entrepreneurs belong to lower and middle income group (Vinze, M. D., 1987) and have service-oriented enterprises (Gupta, 2013).

In a recent study on women empowerment in India, Saraswathi and Bhagyalakshmi (2019) commented that women in India constitute nearly half of the population but their participation in economic activity is much less than men. And this is because women were confined to four walls and they were deprived of the basic rights to education for long. Rashmi Rani et al. (2017) made a thorough study about the importance of women empowerment in India and came to the conclusion that to develop a country it is necessary to empower women by the efforts of men, government, laws and women. “Women’s economic empowerment is being sought to be achieved through the instrumentality of women vocational training, informal skill training and more sophisticated training in technical institutions. The work participation rate indicates to a great extent the economic empowerment of women in the society” (Saraswathi and Bhagyalakshmi,2019).

## Conclusions and Recommendations

Women entrepreneurs have been an engine of economic growth. With the advent of industrialization and modernization, women have assumed greater responsibility, both at home and in the world of work. Several measures have been taken at both regional, national levels for the development and improvement women entrepreneurs. And these women entrepreneurship in turn constitute the most viable and veritable vehicle for self-sustaining industrial development, which ultimately boosts the economy of the country. Women entrepreneurs face a lot of challenges which may discourage them from going into business, yet they immensely contribute in the areas of job creation, poverty alleviation, economic growth and financial sustainability.

There exists a list of successful business women entrepreneurs both in social and economic fields in India. They are performing extremely well. The increasing presence of women in the business field as entrepreneurs has led to the change in the demographic characteristics of business and economic growth of the country. Hence, to promote a balanced growth of the economy of the country, there is need for sustainable growth of women entrepreneurs.

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[http://ficci.in/Sedocument/20165/FICCI\\_Labour\\_Survey.pdf](http://ficci.in/Sedocument/20165/FICCI_Labour_Survey.pdf)

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