

Meaning OF Entrepreneurship

Entrepreneurship refers to the process of **starting and running a new business** or enterprise, typically involving some level of **risk, innovation, and vision**. An **entrepreneur** is someone who identifies a business opportunity, gathers resources, and takes initiative to bring that idea to life with the aim of earning profit and creating value.

In simple terms, Entrepreneurship is the **act of being an entrepreneur**—someone who **turns an idea into a profitable venture by taking risks and managing resources efficiently**.

Definitions of Entrepreneurship

According to **Howard Johnson**, “Entrepreneurship is the composite of three basic elements – invention, innovation, and adaptations.”

According to **Prof. Rao and Mehtha**, “Entrepreneurship can be described as a creative and innovative response to the environment.”

Concept of Entrepreneurship:

The concept of entrepreneurship includes several key elements:

1. **Innovation:** Entrepreneurs often introduce new products, services, or methods of production. Innovation can be technological, procedural, or even strategic.
2. **Risk-taking:** Entrepreneurship involves taking calculated risks. There is no guarantee of success, but entrepreneurs are willing to face uncertainties.

3. **Opportunity Identification:** Entrepreneurs are skilled at spotting gaps in the market or unmet customer needs and converting them into viable business ideas.
4. **Resource Mobilization:** They gather and organize the necessary resources—**capital, manpower, technology**, etc. to start and operate the business.
5. **Value Creation:** The goal is not just to earn profit but to create value for customers, society, and stakeholders.
6. **Economic Development:** Entrepreneurs play a crucial role in generating employment, improving living standards, and boosting economic growth.

Characteristics or attributes of Entrepreneurship:

Vision: The entrepreneur must be able to create and communicate an easily understandable vision of what the new venture does in order to successfully launch a new business. This is accomplished while inspiring others to join in the new enterprise.

Creativity: The entrepreneur must be able to inject imagination and uniqueness into a new business venture. It takes skill and ingenuity to create a new venture equipped with strategies to outsmart the competition.

Focus: The entrepreneur must be able to maintain the vision of the company with unwavering diligence. It's very easy to get sidetracked, especially if necessary to adapt the original vision. Ironically, there are many successful entrepreneurs who get bored easily.

Passion: Entrepreneurs must have a desire to succeed in a business venture under their own initiative.

Perseverance: The entrepreneur must be able to keep going even when faced with seemingly insurmountable (impossible to solve) obstacles.

Opportunistic Nature: The entrepreneur must take advantage of an upcoming trend or unite unrelated processes to create a unique business venture. It helps, of course, to see the possibilities before they even exist.

Problem-Solving Ability: The entrepreneur must thrive on coming up with solutions to complex challenges.

Self-Discipline: The entrepreneur must be organized and regimented in pursuit of a successful business venture. This includes frugality, which is knowing how to stretch every cent so that expenditures are as low as possible.

History of Entrepreneurship Development

The history of entrepreneurship development can be traced through different **ages and economic phases**, each contributing uniquely to the modern concept of entrepreneurship.

1. Ancient and Medieval Period:

- **Barter and Trade:** In early civilizations (e.g., Mesopotamia, Egypt, India), entrepreneurship existed in the form of **barter trade**, agriculture, and small handicrafts.
- **Traders and Merchants:** Greek, Roman, Indian, and Chinese traders traveled long distances for trade, taking risks and organizing resources.
- Entrepreneurship was more **commercial** than innovative.

2. Middle Ages (500 – 1500 AD):

- Entrepreneurs were mainly **craftsmen, merchants, and traders**.
- Many worked under the **guild system** (guild system refers to an association of artisans or merchants who practice the same craft or trade within a specific area), and innovation was limited due to **feudal restrictions** (Feudalism was a system in which people were given land and protection by people of higher rank, and worked and fought for them in return).
- The focus was on **local markets** with minimal risk-taking or business freedom.

3. Renaissance to Pre-Industrial Period (1500 – 1750):

- A shift toward **scientific thought** and **individualism** encouraged innovation.

- Explorers and merchants like **Marco Polo** and **Vasco da Gama** opened new trade routes.
- The concept of **risk-taking** started to become more prominent.
- Banking and joint-stock companies emerged.

4. Industrial Revolution (1750 – 1850):

- A **major turning point** in entrepreneurship.
- Entrepreneurs like **James Watt (steam engine)** and **Richard Arkwright (spinning frame)** revolutionized production.
- **Factories** replaced small-scale workshops.
- Capitalism began to flourish, and **profit motive** became central.

5. 19th and Early 20th Century:

- Rise of **industrialists** such as **Andrew Carnegie, John D. Rockefeller, and Jamshedji Tata**.
- Innovations in steel, oil, electricity, and transportation.
- Emergence of **corporate entrepreneurship**.
- Entrepreneurship became a recognized **economic driver**.

6. Post-World War II (1945 onwards):

- Growth of **small and medium enterprises (SMEs)**.
- **Government support** for entrepreneurs through loans, training, and infrastructure.
- Entrepreneurship gained attention as a **solution to unemployment**.

7. Modern Era (1980 – Present):

- Rise of **tech entrepreneurship** – e.g., **Bill Gates, Steve Jobs, Elon Musk.**
- Growth of **start-ups, venture capital, and incubation centers.**
- Digital revolution, **e-commerce**, and **globalization** transformed entrepreneurship.
- Focus on **social entrepreneurship, green businesses, and innovation-based economies.**

In India:

- Ancient times: Trade guilds and rural industries.
- Colonial period: Restrictions under British rule.
- Post-independence: Focus on the public sector.
- 1991 liberalization: Surge in private entrepreneurship.
- Today: India is a **start-up hub** with government initiatives like **Start-up India, Make in India.**

Factors Influencing Entrepreneurship

Entrepreneurship is influenced by various **internal and external factors**. These factors can **encourage or discourage** a person from becoming an entrepreneur.

1. Economic Factors

- **Capital/Finance:** Easy access to money helps in starting and growing a business.
- **Market Conditions:** High demand and good market opportunities motivate entrepreneurs.
- **Infrastructure:** Roads, electricity, transport, etc. support business activities.

- **Availability of Resources:** Raw materials and labor availability affect business setup.

2. Social Factors

- **Family Background:** Business families often produce more entrepreneurs.
- **Social Status:** People may start businesses to gain respect or improve their status.
- **Education:** Good education and training improve entrepreneurial skills.

3. Psychological Factors

- **Desire for Achievement:** Ambitious people often want to start their own ventures.
- **Risk-taking Ability:** Entrepreneurs are willing to take calculated risks.
- **Creativity and Innovation:** New ideas and thinking influence entrepreneurship.

4. Political and Legal Factors

- **Government Support:** Subsidies, loans, and Start-up schemes encourage entrepreneurship.
- **Laws and Policies:** Easy rules for business registration and tax policies help entrepreneurs.

5. Cultural Factors

- **Traditions and Beliefs:** In some cultures, business is encouraged; in others, job security is preferred.

- **Work Ethic:** Hard-working cultures promote self-employment.

6. Technological Factors

- **Access to Technology:** Helps develop new products and improve productivity.
- **Digital Tools:** Internet, mobile apps, and online marketing boost business reach.

Theories of Entrepreneurship

A large number of theories has been propounded till date. Following are the few theories propounded by the eminent thinkers:

1. Innovation Theory by Schumpeter
2. Theory of High Achievement by McClelland
3. Leibenstein's X-Efficiency Theory
4. Risk bearing theory of Knight
5. Max Weber's theory of entrepreneurial growth
6. Hagen's theory of entrepreneurship
7. Thomas Cochran's Theory of Cultural Values
8. Theory of Change in Group Level Pattern
9. Economic theory of Entrepreneurship
10. Exposure Theory of Entrepreneurship
11. Political System Theory of Entrepreneurial Growth

1. Innovation Theory by Schumpeter

According to **Schumpeter**, innovation is the key factor in entrepreneurship in addition to risk and organizing function. He defines Entrepreneurship as a “**creative activity**” and this creation may be in the form of introduction of new products with which the customer is not familiar or introduction of new quality of the existing product.

- Use of new method of production which is not yet tested
- Opening of new market in which particular manufacturer of the country has not yet entered
- Conquest of new source of supplying raw material
- New form of organization

According to **Schumpeter**, Entrepreneurship is innovation and can be in the form of any product, process, method, new market etc. It brings new technological changes into society. He also differentiated between the innovator and inventor. Inventor is the one who invents some new methods, technology, processes etc and Innovator is the one who uses these new inventions to offer new products in the market.

Schumpeter is the first major theorist to place the human at the centre of the process of economic development. He is very clear about the economic function of the entrepreneur. According to him, an

entrepreneur is the major mover in economic development with his function, to innovate or bring out new combinations. To **Schumpeter**, entrepreneurs are persons who are motivated by a spirit for power; their extraordinary characteristic being an innate capacity to choose correct answers, energy, will and mind to conquer fixed talents of thoughts, and a capacity to withstand social opposition. The factors that contribute to the development of entrepreneurship would essentially be a suitable environment in grasping the essential facts. It can be noted that this theory's main figure, the "innovating entrepreneur" has played an important role in the rise of modern capitalism. The entrepreneur has been the prime mover – for the economic development process.

Criticism:

- This theory seems to be one sided as it puts extreme stress on entrepreneurship only and ignores the other functions of the entrepreneurship.
- Applicability and success of this theory becomes doubtful in underdeveloped countries.

2. Theory of High Achievement by McClelland

This theory is regarded as the most important psychological theory. **McClelland** wanted to find the internal factors that motivate people to take advantage of the trade.



According to **McClelland**, a person attains three types of needs as an outcome of one's life knowledge.

Three needs are:

- Need for Achievement: A drive to excel, advance and grow.
- Need for Power: A drive to dominate or influence others and situations.
- Need for Affiliation: A drive for friendly and close inter-personal relationships.

According to McClelland, people who have a high need for achievement have a tendency to win and excel. People who have a high need for achievement personally take the responsibility of solving problems and will always try to be better than others. He further explained that people with a high need of achievement are more likely to succeed as

entrepreneurs because it is the need for achievement that motivates and promotes entrepreneurship.

The definite characteristics of a high achiever (entrepreneur) can be listed as follows:

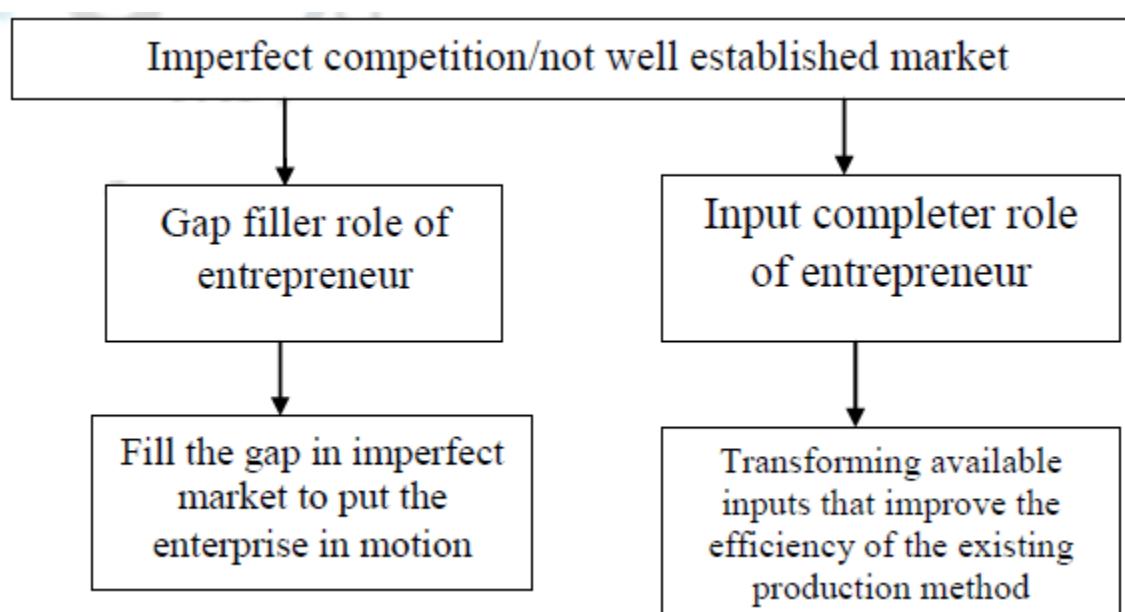
- (i) They lay down moderate realistic and achievable goals for them.
- (ii) They take planned risks.
- (iii) They favor situations wherein they can get individual responsibility for solving problems.
- (iv) They need actual feedback on how well they are doing.
- (v) Their need for achievement lives not only for the sake of economic rewards or social recognition rather personal achievement is essentially more satisfying to them.

3. Leibenstein's X-Efficiency Theory

The thought of x-efficiency was introduced by **Harvey Leibenstein** in his paper Allocative efficiency v. "x-efficiency" in American Economic Review 1966. This theory was recently applied to entrepreneurship and otherwise was developed for the firms in determining the degree of inefficiencies.

X-Efficiency is the degree of inefficiency in the use of resources within the firm, it measures the extent to which the firm fails to realise its productive potential. When the input is not used efficiently then the difference between the actual output and the maximum attainable output is the X-efficiency. X efficiency occurs if resources are wasted or not used

at all. Therefore, **Leibenstein identifies two roles for the entrepreneur: gap filler and an input completer**. Thus, if not all the inputs will be used there will be market imperfections and entrepreneurs have to fill the gaps to correct the market imperfections. The other role is of input completer, to make available the inputs required for the efficient outputs.



Leibenstein X- efficiency Theory

According to him there are two types of entrepreneurship.

- (i) Routine entrepreneurship – deals with normal business functions like co-ordinating the business activities.

(ii) Innovative entrepreneurship – wherein an entrepreneur is innovative in his approach. It includes the activities necessary to create an enterprise where not all the markets are well-established or clearly defined.

4. Risk bearing theory of Knight:

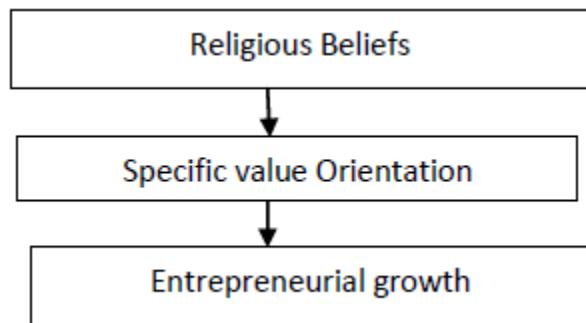
According to **Knight**, the most important feature of entrepreneurship is Risk bearing. Some important features of the theory are:

- **Risk Creates profit:** An entrepreneur bears risk, therefore he earns profit.
- **More Risk more Gain:** Entrepreneurs face different types of risks according to their ability and interests. This theory states that more the risk more will be the returns.
- **Profit as Reward and cost:** Profit is the reward of bearing risk. Therefore, it is also called the normal cost of production.
- **Entrepreneur's income is uncertain:** According to knight, uncertainty is the important element of entrepreneurship. There are two types of the risk: insurable and non-insurable. An entrepreneur earns profit because he bears non-insurable risk which is uncertain.

5. Max Weber's theory of entrepreneurial growth:

Max Weber believes that **religion** has a large impact on the entrepreneurial development of the country because some religions have

a basic faith to earn more money whereas some have less. He calls them the ‘spirit of capitalism’ which can be enhanced in the country if there will be a favourable attitude towards capitalism in the country. It is the religious beliefs that develop the sense of capitalism in the individual which generates the feeling of occupational chase and the addition of assets. **This theory states that Hinduism, Buddhism and Islam do not encourage entrepreneurship which was criticized by various sociologists.**



Max Weber's Theory

This theory was **criticized by many researchers**, as it was based on the **invalid assumptions** like:

- (a) There is a single system of Hindu values.
- (b) The Indian people learn those values and translate them to their every day behaviour, and
- (c) These values remain resistant to and protected against external pressures and change.

The quick growth of entrepreneurship in India since independence shows that Hinduism is not averse to the spirit of capitalism and to the adventurous spirit but some researchers have accepted this theory but it was not universally accepted.

6. Hagen's theory of entrepreneurship

Hagen has propounded a theory of **withdrawal of status** respect. According to him, withdrawal of status respect leads to entrepreneurship. It occurs when the members in the group perceive that their efforts and purposes in life are not valued by the other members. He proposed four events which can lead to status withdrawal:

- Displacement of a conventional best group from its earlier status by another conventional supply physical force.
- Defamation of valued symbols through some change in the attitude of the superior group
- Inconsistency of status symbols with a “changing distribution of economic power.”
- Acceptance of expected status on migration to a new society.

He further stated that withdrawal of the status respect would give rise to following:

- (a) Innovator: An entrepreneur who is innovative and try to attain his objectives set by himself

- (b) Retreatist: Entrepreneur who keeps on working in society but remains apathetic to his work or status.
- (c) Ritualist: One who works as per the rules of the society but has no hope in the improvement of his status.
- (d) Reformist: One who is revolting and tries to carry new ways of working and develops a new society.

Hagen developed this theory from the case of the samurai community of Japan who were deprived of the high status they were enjoying and thus gave rise to many entrepreneurs as they wanted to gain their lost prestige.

7. Thomas Cochran's Theory of Cultural Values

According to him, entrepreneurs are not super normal powers but are the role models of society. The key magnitude in this theory is cultural values, role expectations and social sanctions. Entrepreneur's performance is influenced by the three factors:

- own attitudes towards his occupation,
- the role expectations held by sanctioning groups,
- and the operational requirements of the job.

Society's values are the main determinant of the first two factors and the changes over the time in different variables like population; technology

etc will impose change in role expectations by generating new operational needs.

8. Theory of Change in Group Level Pattern:

This theory of change is propounded by **Young**. He conducted a Thematic Appreciation Test (TAT) on a group of entrepreneurs. This test revealed that entrepreneurs have the ability to define the solution to the problem, awareness of the efforts required, confidence in their own ability and ability to analyse the situation before decision making. Young's theory is a theory of change based on society's incorporation of reactive subgroups. A group becomes reactive when the following three conditions coincide:

- When the group has better institutional resources than the other groups of the society at the same level
- When the group experiences low status respect.
- When deprived of access to important social networks.

9. Economic theory of Entrepreneurship:

This theory was propounded by **Papanek and Harris**. According to them, if economic incentives are available in the country, then there will be entrepreneurship. Economists believe that entrepreneurship and economic growth exists where economic conditions are favourable to the business environment. There are large numbers of economic factors

which help in upgrading or degrade entrepreneurship in a country. Following are the factors:

- (a) The availability of bank credit
- (b) High capital formation with a good flow of savings and investments
- (c) Supply for loanable funds with a lower rate of interest.
- (d) Increased demand for consumer goods and services
- (e) Availability of productive resources.
- (f) Efficient economic policies like fiscal and monetary policies
- (g) Communication and transportation facilities

It is further strengthened by the fact that Marwaris and Vaishyas are everywhere in the country but only Gujarati Marwaris and Vaishyas lead in businesses because Gujarat has more favourable economic conditions. Thus, it is concluded that a favourable business environment has an impact on entrepreneurial growth.

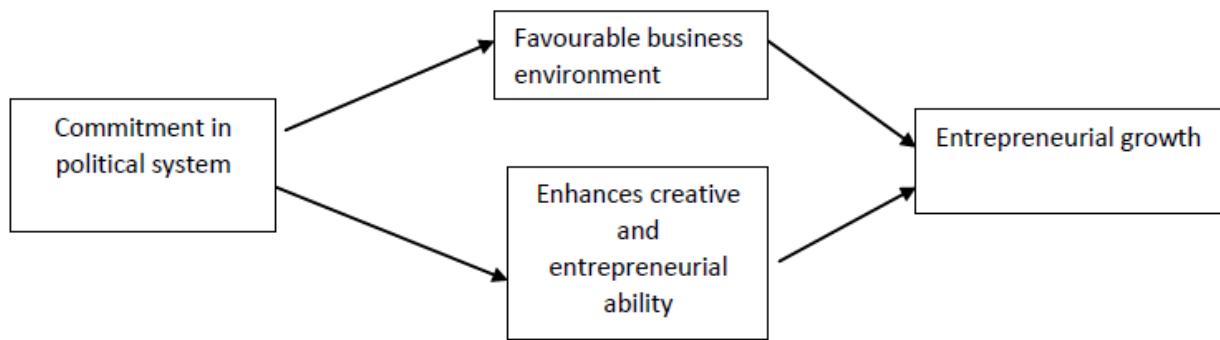
10. Exposure Theory of Entrepreneurship

This theory states that **exposure to new ideas and opportunities leads to innovation and creativity thus creating a new enterprise**. An individual's education, cultural values, motivation, economic factors, need for achievement, religious beliefs and risk bearing capacity helps in exposing him/her towards the new ideas and opportunities and thus leading to

innovation and creativity. Innovation is the most important factor in entrepreneurship.

11. Political System Theory of Entrepreneurial Growth

This theory states that a **favourable political environment has an impact on entrepreneurial growth because a stable political system creates infrastructure, promotes policies and encourages people towards entrepreneurship**. Commitment in the political system creates a favourable business environment and enhances creative and entrepreneurial ability which leads to the entrepreneurial growth in the country.



Political System Theory of Entrepreneurial Growth

Summary

Many theorists have propounded a large number of theories over the period of time but every theorist has a different view which explains the concept of entrepreneurship according to their own perception. These

various approaches of entrepreneurship make the concept unclear because different views of economist's, socialist's and psychologist's view. So, there is a need for a summarized and comprehensive theory which covers all the aspects of entrepreneurship.

Role and Importance of Entrepreneurship in Economic Growth

Entrepreneurship plays a **key role in the development of a country's economy**. Entrepreneurs create businesses, jobs, and bring innovation, which leads to economic growth.

1. Creation of Employment:

- Entrepreneurs start new businesses and industries.
- This creates **new job opportunities** for others.

2. Innovation and New Ideas:

- Entrepreneurs introduce **new products, services, and technologies**.
- This increases productivity and improves people's lives.

3. Increase in National Income:

- More businesses mean more **production and income**.
- Entrepreneurs contribute to **GDP and tax revenue**.

4. Development of Infrastructure:

- Entrepreneurs invest in **factories, transport, communication, etc.**
- This helps in **overall regional and rural development.**

5. Encourages Export and Foreign Exchange:

- Entrepreneurs produce quality goods that can be **exported.**
- This brings in **foreign currency** and improves trade balance.

6. Promotes Self-Reliance:

- Entrepreneurship reduces dependence on government jobs.
- Encourages **self-employment and self-dependence.**

7. Boosts Industrial and Economic Development:

- Entrepreneurs help in the **growth of small and large-scale industries.**
- This leads to **balanced economic development.**

New Generations of Entrepreneurship

The concept of entrepreneurship has changed a lot over time. **New generations of entrepreneurship** are more **tech-driven, innovative, socially responsible, and globally connected** compared to traditional entrepreneurs. The new generations of entrepreneurship are **modern, tech-savvy, inclusive, and socially aware**. They are reshaping economies and creating a **better, sustainable future.**

1. Tech Entrepreneurship

- Focuses on **technology-based products and services**.
- Start-ups in **software, apps, AI, robotics**, etc.
- Example: Founders of Google, Facebook, or Indian start-ups like **Zomato** and **Paytm**.

2. Social Entrepreneurship

- Aim is to solve **social or environmental problems**, not just earn profit.
- Focus on areas like **education, healthcare, clean energy**, etc.
- Example: **Selco (solar power in rural India)**, or **NGOs using business models**.

3. Green Entrepreneurship

- Focuses on **eco-friendly and sustainable businesses**.
- Use of renewable energy, recycling, organic products.
- Goal: Profit + environmental protection.

4. Women Entrepreneurship

- More women are starting businesses across sectors.
- Supported by special government schemes and awareness.
- Promotes **gender equality** and economic growth.

5. Youth/Student Entrepreneurship

- Young students or recent graduates starting their own ventures.
- Supported by **incubation centers, hackathons**, and **Start-up India** programs.

6. Digital Entrepreneurship

- Businesses run entirely **online** using websites, social media, and digital tools.
- Includes **e-commerce, content creation, digital marketing**, etc.
- Low cost and global reach.

7. Rural Entrepreneurship

- Business development in **rural or semi-urban areas**.
- Focus on **agriculture, crafts, small industries**, etc.
- Helps in **rural development and reducing migration to cities**.

Social Entrepreneurship - a brief note

Social entrepreneurship is a type of entrepreneurship where the main goal is to **solve social problems** and bring **positive change** in society, **not just to earn profit**.

Definition:

Social entrepreneurship means starting a business or project that helps in solving problems like **poverty, education, health care, environment, women empowerment**, etc., while also being **financially sustainable**.

Key Features:

1. **Social Mission First:** The main aim is to **help society**, not just make money.
2. **Innovative Solutions:** Uses **new ideas and methods** to solve old social problems.
3. **Self-Sustainable:** Runs like a business, earns income, but **reinvests profits** for the cause.
4. **Impact-Oriented:** Focuses on **measurable social impact**, not personal wealth.

Examples (India):

- **Selco India:** Provides solar energy to rural areas.
- **Amul:** Helps dairy farmers earn fair income.
- **Akshaya Patra:** Provides mid-day meals to schoolchildren.

Importance of Social Entrepreneurship:

- Reduces **poverty and inequality**
- Promotes **education, health, and environment**
- Encourages **inclusive growth**
- Creates **jobs and awareness** in rural and urban areas

Conclusion:

Social entrepreneurship is about **doing business for a good cause**. It is important for building a **better, fairer, and more sustainable society**.

Health Entrepreneurship - a brief note

Health entrepreneurship refers to starting and managing businesses that aim to **improve healthcare services, medical access, and patient well-being** through **innovation and technology**.

Definition:

Health entrepreneurship is the process of creating products, services, or systems that solve **health-related problems** and improve **medical care** while being **financially sustainable**.

Key Features:

1. **Healthcare Focus:** Aims to solve issues in **medical treatment, diagnosis, wellness, fitness, or public health**.
2. **Innovation-Driven:** Uses **new technology** like telemedicine, health apps, wearable devices, and AI in healthcare.
3. **Social Impact:** Improves the **quality, affordability, and availability** of healthcare services.
4. **Business Model:** Works like a business with a **revenue model**, but the focus is on **health improvement**.

Examples:

- **Practo:** An app that connects patients to doctors online.
- **1mg (Tata 1mg):** Online platform to order medicines and lab tests.
- **Pharmeeasy:** Delivers medicines and health products to homes.
- **HealthifyMe:** App for diet and fitness tracking.

Importance of Health Entrepreneurship:

- Increases **access to healthcare** in remote areas
- Reduces **treatment costs** with efficient systems
- Encourages **digital health and innovation**
- Helps in **disease prevention and wellness awareness**

Conclusion:

Health entrepreneurship combines **business skills with healthcare innovation** to improve lives. It plays a key role in building a **healthy, accessible, and affordable healthcare system**.

Tourism Entrepreneurship - a brief note

Tourism entrepreneurship means starting and running businesses that provide products or services related to **travel, tourism, and hospitality**. The aim is to attract tourists and earn income while promoting local culture, nature, and experiences.

Definition:

Tourism entrepreneurship is the process of **developing and managing tourism-related ventures** such as **travel agencies, hotels, resorts, tour guides, transport services**, etc., to meet the needs of tourists and promote economic development.

Key Features:

1. **Tourist-Focused:** Provides goods and services that tourists need (accommodation, food, transport, etc.).
2. **Experience-Based:** Offers **cultural, natural, historical, or adventure** experiences to travelers.
3. **Local Development:** Promotes **employment and income** in local areas, especially rural and heritage sites.
4. **Seasonal and Service-Based:** Tourism businesses often depend on **seasons and customer service** quality.

Examples:

- **Travel agencies** like MakeMyTrip, Yatra
- **Hotels and resorts** like OYO Rooms or Taj Hotels
- **Local homestays and eco-tourism camps**
- **Adventure tourism** like trekking, rafting, wildlife safaris
- **Cultural tourism** like heritage walks or festivals

Importance of Tourism Entrepreneurship:

- **Generates employment** in hospitality, transport, and local crafts
- **Boosts local economy**, especially in tourist destinations
- **Promotes culture and heritage**
- Encourages **ecotourism and sustainable development**

Conclusion:

Tourism entrepreneurship is about creating **travel-related businesses** that provide enjoyable experiences to tourists while supporting **economic and cultural development** in the region.

WOMEN ENTREPRENEURS - A detailed discussion.

Women entrepreneurship is the process in which women initiate a business, gather all resources, undertake risks, face challenges, provide employment to others and manage the business independently. Women Entrepreneurship refers to business or organization started by a woman or a group of women.

Types of Women Entrepreneur

Women entrepreneurs in India are broadly divided into the following categories:

- Affluent entrepreneurs
- Pull factors
- Push
- Self-employed entrepreneurs
- Rural entrepreneurs

1. Affluent Entrepreneurs: Affluent women entrepreneurs are those women entrepreneurs who hail from rich business families. They are the daughters, daughter-in laws, sisters, sister-in-laws and wives of affluent

people in the society. Many of them are engaged in beauty parlour, interior decoration, book publishing, film distribution and the like. The family supports the above type of entrepreneur in carrying out their responsibilities.

2. Pull Factors: Women in towns and cities take up entrepreneurship as a challenge to do something new and to be economically independent. These are coming under the category of pull factors. They belong to educated women who generally take up small and medium industries where risk is low. Under this category, women usually start service centres, schools, food catering centres, restaurants, grocery shops, etc.

3. Push Factors: There are some women entrepreneurs who accept entrepreneurial activities to overcome financial difficulties. The family situation forces them either to develop the existing family business or to start new ventures to improve the economic conditions of the family. Such categories of entrepreneurs are termed as push factors.

4. Self-employed Entrepreneur: Poor and very poor women in villages and towns rely heavily on their own efforts for sustenance. They start tiny and small enterprises like brooms making, wax candle making, providing tea and coffee to offices, ironing of clothes, knitting work, tailoring firm, etc. Such women are called self-employed entrepreneurs.

5. Rural Entrepreneurs: Women in rural areas/villages start enterprises which need least organising skill and less risk. Dairy products, pickles, fruit juices, papads and jagger making are coming under this category of Rural entrepreneur.

Problems faced by Women Entrepreneurs:

Women entrepreneurs, unlike men entrepreneurs, face certain specific problems in their business.

These problems are as follows:

1) Low Risk-Taking Ability: Women in our country lead a protected life. They are less educated and economically more dependent on others. In other words, they are economically not independent. Therefore, these factors reduce their ability to take risks involved in business. Risk-taking is an essential requisite of a successful entrepreneurship, but women entrepreneurs have a low ability to bear economic and other risks. Inferiority complex, low education, unplanned but protected growth, lack of infrastructure etc. are the main factors for their low ability to take or bear risks.

2) Lack of Self-Confidence: Women entrepreneurs generally lack self-confidence in doing anything independently, particularly in India. They hesitate to take risks. They are conservative in their outlook. The public in general looks at women entrepreneurs with suspicion and they do not support nor encourage them.

3) Lack of Entrepreneurial Aptitude: Women generally lack entrepreneurial aptitude. They lack any entrepreneurial bent of mind as well as entrepreneurial creativity, motivation, behaviour etc.

4) Lack of Mobility: Women, particularly in India, lack mobility. In other words, their mobility is highly limited due to various reasons. Women cannot travel alone freely and safely nor can they deal courageously with men or male officers who always try to humiliate women, when approached for any official or business work. Travelling is also not

possible and feasible for women entrepreneurs. Thus the mobility of women entrepreneurs is very limited, particularly in India.

5) Family Problem: In India, it is mainly the duty of a woman to look after her children and other elderly or old members of the family. Therefore, her involvement in family affairs leaves little time and energy for business. Therefore, married women entrepreneurs have to make a satisfactory balance between family burden and business burden. If they fail to do so, there arises conflicts that prevent them from taking prompt and sound decisions in their business.

6) Male-Dominated Society: Ours is a male-dominated society. Our constitution speaks of equality between men and women, but in reality women are not treated equal to men. Women are looked down upon as weak and incapable in all respects. Women suffer from male reservations about their role, ability and capacity. Such an attitude of men towards women acts as a great barrier to women's entry into business.

7) Social Attitudes: The biggest problem faced by the women entrepreneurs is the problem of social attitudes towards women and the constraints in which women entrepreneurs live and work. Despite constitutional equality, there is a great discrimination against women. In our society, which is bound by customs and traditions, women suffer from many reservations imposed by men on their role and capacity.

This is particularly true in rural India. In rural areas, women face resistance not only from the male members but also from the elderly female members who do not accept the principle of equality. The overbearing presence of the elders in the family restrains the young girls from venturing out. Though the rural women have the potential to become entrepreneurs, they are not properly trained and given

scope. It is believed that the skill imparted to a girl is lost when she is married. Hence, girls, though having entrepreneurial talent, continue to be helpless in rural handicrafts and small scale and tiny industries and hence they do not become entrepreneurs.

8) Lack of Education: In India, women are less educated and therefore, they are not aware of business technology and market knowledge. Nearly 48 percent of women in India are still illiterate as per 2001 census. Lack of education among women causes low achievement motivation.

Therefore, lack of education creates problems for women in setting up and running business enterprises. Lack of education leads to lack of information and experience among women creates still more problems for them in their business i.e. because of their inability to deal with outsiders.

9) High Cost of Production: Another problem faced by the women entrepreneurs is the high cost of production, which undermines the efficiency and restricts the development of entrepreneurship among women. The assistance given by the government and other agencies in the form of grants and subsidies may enable them to tide over this difficulty but to ensure their ultimate success and survival, it becomes necessary to increase their efficiency, expand productive capacity and reduce cost of production. But even then, the women entrepreneurs still face certain problems such as problems of labour, human resources, infrastructure, legal formalities, lack of family support etc.

10) Low Need for Achievement: Need for high achievement, independence, autonomy and freedom are the prerequisites for success in entrepreneurship. But women, by nature, prefer to grow under some assured shelter and glory of their parents, husbands, brothers, sons, etc. They have got some preconceived notions about their role in life. This attitude inhibits their achievements. There should be a keen usage for

achievement in women but it is true that all women cannot be expected to have such an urge. Only these women, who have got such an exceptional urge for achievement and independence, are most likely to succeed in their business.

Remedies to Solve the Problems of Women Entrepreneurs:

The following steps may be adopted to solve the problems of the women entrepreneurs:

1) Finance Cells: In various financial institutions and banks, special finance cells should be opened for providing easy finance to women entrepreneurs. Such finance cells should be managed by women officers and clerks. The finance cells should provide to women entrepreneurs at low rates of interest and on easy repayment basis.

2) Marketing Co-Operatives: Women entrepreneurs should be encouraged and given all assistance for setting up marketing cooperatives. The Government and semi-government bodies should give highest preference to such women's marketing cooperatives while making their purchases. Such cooperatives will be able to eliminate the middlemen while making their purchases of inputs and selling their products at remunerative prices.

3) Supply of Raw Materials and Other Inputs:

The government should make necessary arrangements for the supply of scarce and imported raw materials and other inputs required by the

women entrepreneurs. The government should also give subsidies to the women entrepreneurs to make their products cost- competitive and sell them at competitive prices.

4) Education and Awareness: Intensive educational and awareness programmes should be arranged so as to change the negative or unfavourable attitudes towards women. The attitude of the elders, particularly, the elderly women whether mothers or mother-in-laws, should be made aware of the potential of the girls and their due role in the society. The social attitudes of these people should be made positive so as to enable the women entrepreneurs to achieve progress in their venture.

5) Training Facilities: Training and skill development are quite essential for the development of entrepreneurs. Special training schemes should be designed so as to suit the women entrepreneurs so as to create self-confidence in their mind about the success of their entrepreneurship. Since family members will not be permitted to go too far distant places for training, mobile training centres should be arranged. Similarly, part-time training facilities should also be provided during week-ends and holidays. In addition, stipend, good hygienic creches, transport facilities, and such other facilities should also be provided to attract more and more women-entrepreneurs to the training centres.

Women Entrepreneurship – a brief note

Women entrepreneurship refers to the process where **women start, manage, and run businesses** to earn income, become self-reliant, and contribute to the economy.

Definition:

A **woman entrepreneur** is a woman who takes the initiative to organize and operate a business enterprise. She is involved in decision-making, risk-taking, innovation, and managing resources.

Key Features:

1. Owned and Operated by Women:

The business is started and managed by a **woman or a group of women**.

2. Self-Reliance and Empowerment:

Helps women become **independent** and gain **social and financial freedom**.

3. Across Sectors:

Women are now entering various fields like **fashion, food, IT, education, health**, etc.

4. Supported by Policies:

Governments and NGOs are promoting women entrepreneurship through **loans, training, and schemes**.

Examples in India:

- **Kiran Mazumdar Shaw** – Founder of Biocon (biotech)
- **Falguni Nayar** – Founder of Nykaa (beauty & lifestyle)
- **Richa Kar** – Founder of Zivame (online lingerie store)
- **Self-Help Groups (SHGs)** – Many rural women start small businesses through SHGs

Importance of Women Entrepreneurship:

- Promotes **gender equality**
- Creates **jobs** and supports **economic growth**
- Encourages **rural development**
- Builds **confidence** and **leadership skills** in women
- Reduces **poverty** and improves **family welfare**

Conclusion:

Women entrepreneurship is a **powerful tool** for empowering women and supporting national development. With proper support and training, more women can become successful entrepreneurs.

Creativity and Entrepreneurship - Discuss

Creativity is the ability to think of **new ideas, products, or solutions**, and it plays a key role in **entrepreneurship**, which is the process of starting and managing a business.

Definition:

- **Creativity** in entrepreneurship means using **imagination and innovation** to solve problems or create something valuable.
- It helps entrepreneurs develop **unique business ideas**, improve products, and find **new ways to satisfy customer needs**.

Importance of Creativity in Entrepreneurship:

1. **New Business Ideas:** Creative thinking helps entrepreneurs identify **market gaps** and develop original ideas.

2. **Product Innovation:** Helps in designing **new or improved products** and services that attract customers.
3. **Problem Solving:** Creativity allows entrepreneurs to find **smart solutions** to business challenges.
4. **Marketing and Branding:** Creative marketing makes a brand **stand out** in a competitive market.
5. **Adaptability:** Helps entrepreneurs **adapt to change** and come up with new strategies.

Examples:

- **Apple (Steve Jobs):** Used creativity to design unique products like the iPhone.
- **OYO Rooms:** A creative solution for standardized, affordable hotel rooms.
- **Paper Boat:** Used creative packaging and storytelling to promote traditional Indian drinks.

Ways to Develop Creativity in Entrepreneurship:

- Brainstorming sessions
- Design thinking
- Customer feedback
- Learning from competitors
- Experimenting with new ideas

Conclusion:

Creativity is the heart of entrepreneurship. It helps in building innovative, unique, and successful businesses. Without creativity, entrepreneurship would not grow or evolve.

Steps in Creativity

The creative process usually follows a series of steps that help turn an **idea into a useful solution** or product. These steps help in **thinking clearly, organizing thoughts, and innovating**.

1. Preparation

- Gathering **information** and understanding the problem.
- Doing **research**, observation, or study.
- Example: Studying customer needs or market trends.

2. Incubation

- Letting the mind **rest and reflect**.
- Ideas are processed **subconsciously**.
- May take time; no active thinking.
- Example: Taking a break and letting the idea "grow" in your mind.

3. Illumination (Idea or Insight)

- The **lightbulb moment** when the idea or solution suddenly becomes clear.
- A new connection or breakthrough is made.

- Example: A designer suddenly getting a creative solution to a design problem.

4. Evaluation

- Thinking critically about the idea.
- Checking if it is **practical, useful, and possible**.
- Asking: Will it work? Is it worth it?

5. Implementation

- Turning the idea into **action or reality**.
- Creating the product, service, or solution.
- Example: Launching a prototype or business based on the idea.

Conclusion:

Creativity is not random. It follows steps like **preparation, incubation, illumination, evaluation, and implementation**. These help turn ideas into **innovative solutions**.

Barriers to Entrepreneurship

Barriers to entrepreneurship are the challenges or obstacles that make it difficult for a person to start, run, or grow a business successfully.

1. Lack of Capital (Finance)

- Most new entrepreneurs struggle to arrange **initial funds**.
- Banks may not give loans easily to new or unknown business owners.

2. Lack of Knowledge and Skills

- Many people do not have enough knowledge about **business planning, management, or marketing**.
- Lack of **training and experience** can lead to business failure.

3. Fear of Failure

- Some people are afraid to take risks or lose money.
- This **mental fear** prevents them from starting a business.

4. Unfavorable Government Policies

- Complex laws, high taxes, and too many regulations can discourage entrepreneurs.
- Slow approval processes or corruption are also barriers.

5. Social and Cultural Barriers

- In some societies, starting a business may not be seen as a good career.
- Women and youth may face **social restrictions** or lack of support.

6. Lack of Infrastructure

- Poor roads, electricity, internet, and transport facilities affect business operations.
- Especially common in **rural and remote areas**.

7. Market Competition

- Strong competition from big brands or cheap products can make survival hard for small entrepreneurs.

8. Difficulty in Getting Skilled Workers

- New businesses may not find **trained or willing employees**, especially in technical fields.

Conclusion:

Barriers like **lack of finance, skills, support, and infrastructure** can stop people from becoming entrepreneurs. Removing these barriers helps promote **economic development** and **self-employment**.