

## Impact of Business Incubation for Women Entrepreneurs

**Deep Mathur**

Research Scholar, Suresh Gyan Vihar University, Jaipur

**Prof. T. K. Jain**

Professor, Suresh Gyan Vihar University, Jaipur

**Dr. Bright Keswani**

Professor, Suresh Gyan Vihar University, Jaipur

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### Abstract

The philosophical concept of self-reliance takes a slightly different path to development by focusing on the power of independence, creativity, originality and belief in strength and resilience. It rejects the need for external support and seems to glorify the importance of self-application. The main challenge of sustainable development is to balance the economic, social, and environmental costs and benefits of development, both for people living now and for future generations.

Business incubator is an economic development tool primarily designed to help create and new businesses in a community. Business incubators help emerging businesses by providing various support services, such as assistance in developing business and marketing plans, building management teams, obtaining capital, and access to a range of more specialized professional services. They also provide flexible space, shared equipment, and administrative services.

**Keywords:** Business incubator, independence, creativity, originality, belief, entrepreneurship, women entrepreneurs, Institutional framework, entrepreneurial skills, Vocation education, liberalization, globalization, Economic Empowerment, poverty alleviation programmes.

### Introduction

The self-sustainable development approach in India has taken strong roots as an effective and viable channel to take the poor to a new domain of economic empowerment and social upliftment. Micro finance, which synergies the thrift and credit behaviors of the poor in a participatory and informal setting, is now widely acknowledged as a strategic tool to dent poverty in all poverty alleviation programmes.

Although entrepreneurship is of greater importance to the growth and development of an economy, not all entrepreneurs are presented with the same opportunities and resources as others. As opposed to formal businesses, informal small businesses are normally discriminated against in terms of support, which is offered to them to necessitate their growth. The contribution that they make towards economic growth and development is often seen as insignificant. They lack opportunities that are enjoyed by large businesses and they suffer from discriminating policies, which has resulted in suppressed growth of these business ventures.

Business incubation is a public and/or private, entrepreneurial, economic and social development process designed to nurture businesses from idea generation to start-up companies and, through a comprehensive business support program, help them establish and accelerate their growth and success. In other terms, a business incubator is a company that helps new and startup companies to develop by providing services such as management training or office space. Business incubators differ from research and technology parks in their dedication to startup and early-stage companies.

Imparting basic knowledge about women business incubator was important because business incubation has proven to be a tool to promote economic development even though there is little knowledge about women business incubation despite the dynamism women entrepreneurs. In addition, women entrepreneurs have specific needs which call for a gender analysis in order to better understand their needs and motivations and fully utilize their potential. Many researches have shown that business environment is overall poorly favorable to women despite the governments support. Many researches emphasized the lack of information, the lack of supportive networks, the lack of self-confidence, the lack of knowledge as limitation in addition to the cultural barriers are the major hurdle faced by a women entrepreneur.

Entrepreneurship refers to the act of setting up a new business or reviving an existing business so as to take advantages from new opportunities. Women entrepreneurship is gaining importance in India in the wake of economic liberalization and globalization. The policy and institutional framework for developing entrepreneurial skills, providing vocation education and training has widened the horizon for economic empowerment of women. However, women constitute only one third of the economic enterprises.

## The problem

Despite the increasing number of business incubators nationwide, the number of women business incubators is still very limited compared the possible involvement of women entrepreneurs in the State and national economies. The probable explanation of this condition is related to the nature of business incubators in developing states. They are often focused on technology-based companies, which are not the domain of women entrepreneurs. The specific needs of women entrepreneurs often are not understood or ignored by policy makers. In addition, there is little knowledge about women business incubation and women entrepreneurs at large. Therefore the existing incubators – without further information and training - cannot sufficiently cater for women entrepreneurs' needs.

## Review of literature

Suman Krishnan Kant 2001<sup>1</sup> in her report opined that the process of women's empowerment is multi-dimensional. It enables women to realize their full potential and empowers them in all spheres of life. In India, women form a significant part of the labour force. However, their contribution remains invisible and unrecognized. Women account for 90 per cent of labour force in the informal sector, which is neither captured in the country's population census nor accounted in the National Accounts. The productive capacities of women, who constitute almost half of the population, remain unaccounted, thus, reinforcing their subordinate roles. It is estimated that nearly 1300 million persons in the world are poor and nearly two per cent of them are women. Today as many as 30 to 35 per cent rural households are women headed and their low incomes make them vulnerable to the extremes of poverty and its consequences.

According to Veluraj 2001<sup>2</sup>, the Nobel Scholar and Indian Economist Prof. Amartya Sen expressed in his words, "Unless women are empowerment, issues like literacy, health and population explosion will remain unresolved problems of the developing countries." In India, the majority of the women still continue to perform their traditional roles in the household and in agriculture. The women are the wives of men - the present scenario forces them to depend on men. Representation of women has never gone beyond eight per cent in parliament, 10 per cent in the State Assemblies, 13 per cent in senior management and administrative posts of government and hence there is no equal opportunity.

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<sup>1</sup>Suman Krishna Kant 2001, 'Women's Empowerment and Mutual Cooperation in the Family', Social Welfare, April, Vol. 48, No. 12, p. 3

<sup>2</sup>R. Veluraj, 'SHGs an alternative approach to empower rural women', Tamil Nadu Journal of Cooperation, June 2001, Vol. 1, No. 8, p. 18

Ghosh 2001<sup>3</sup> pointed out that combating poverty cannot be managed by the government alone. There are many areas where government needs collaboration and cooperation from NGOs particularly in creating opportunity facilitating empowerment and providing security to the poor. The pressure of the donor agencies on the recipient government to work through NGOs in development programme is also a dominant factor in increasing the role of NGOs to fight against poverty.

Bina Agarwal 2001<sup>4</sup> said that the secure and effective land rights are of critical importance for women's welfare and empowerment. But achieving this will need concerted efforts by gender-progressive NGOs, especially women's groups, as well as by those within the government who are concerned about women's empowerment, poverty and equitable development.

Joshi 2002<sup>5</sup> observed that micro-credit programmer extends small loans to poor people for self-employment projects that generate income, allowing them to care for themselves and their families. In most cases, micro-credit programmer offers a combination of services and resources to their clients in addition to credit for self-employment.

Sivaramakrishnan 2003<sup>6</sup> explains that the Swarajayanti Gram Swarozgar Yojana aims at establishing a large number of micro-enterprises in the rural areas, building upon the potential of the rural poor. The objective under SUSY is to bring every assisted family above the poverty line in three years. Towards this end SUSY is conceived as a holistic programme of micro-enterprises covering all aspects of self-employment, viz. organization of the rural poor into Self-Help Groups and their capacity building, planning of activity clusters, infrastructure build up, technology, credit and marketing.

Sharma and Chrisman 2007<sup>7</sup> argue that there are two distinct clusters of thought to defining entrepreneurship. The first scholars define entrepreneurship by focusing on characteristics such as creativity, innovation, growth and uniqueness, and the second group's definition focus on outcomes such as the creation of value. Here, one notices that the emphasis is on the characteristics of entrepreneurship, as opposed to the outcomes.

Muljadi 2011<sup>8</sup> in his report advances two definitions to this effect. Firstly, entrepreneurship was defined as an act of being an entrepreneur who undertakes innovations by transforming them into

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<sup>3</sup> D. K. Ghosh, 'NGO intervention in poverty alleviation', Kurukshetra, March 2001, Vol. 49, No. 6, p. 2

<sup>4</sup> Bina Agarwal, 'Land Rights and Gender Equity', Yojana, August 2001, Vol. 45, p. 35.

<sup>5</sup> S. C. Joshi, 'Micro-credit not charity', Social Welfare, February 2002, Vol. 48, No. 32, p. 12

<sup>6</sup> K. Sivaramakrishnan, 'Poverty All Eviction through Self-Help Groups', TNJC, March 2003, Vol. 3, No. 5, p. 9

<sup>7</sup> Sharma, P., & Chrisman, J.J.S. 2007. Toward a Reconciliation of the Definitional Issues in the Field of Corporate Entrepreneurship. *Entrepreneurship Theory and Practice*. Blackwell Publishing. 23(3): 11-27

<sup>8</sup> Muljadi, P. 2011. *Entrepreneurship. A group of ideas around entrepreneurship*

economic goods. Secondly entrepreneurship is seen as a process of discovering opportunities in the market, and planning, organizing and arranging the necessary resources to exploit long term gain.

Chimucheka 2013<sup>9</sup> in her research paper highlights that entrepreneurship does not only contribute to the Gross Domestic Product (GDP), but also employment opportunities, new markets and poverty alleviation. Entrepreneurs, in their individual ventures, also enjoy benefits such as independence, financial rewards and job security, amongst others things.

According to Rao et al, 2017<sup>10</sup>, Business incubation is one of the implementation tools of government's strategy for facilitating women entrepreneurship development. Business Incubation services are perceived to be a mainstay of the economic development. Their role is crucial in creating the value by combining the entrepreneurial drive for Start-ups.

### **Future scope**

Because of the varied names of Business Incubation, studying the concept is difficult. Therefore, it is imperative to update and reconcile the definitions and designs in academic, social and economic settings in order to contribute to the best of local endogenous development and thus to academic and scientific production. The opportunities for innovative, theory building and empirical analysis are enormous, and therein emerges the proposal to address the phenomenon of incubators from interdisciplinary or multidisciplinary perspectives. This emphasizes the need to treat the entrepreneur, network and community as levels of analysis apart from that of the business incubator because there are substantive implications on performance measurement.

### **Conclusion**

The role of incubation in the development and sustainable growth of small and medium businesses is vital. This study shows that female entrepreneurs are well aware of the contemporary challenges and needs of their businesses. Female entrepreneurs consider incubation facilities/services very important for the success of their businesses.

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<sup>9</sup>Chimucheka, T.2013. The Impact of Entrepreneurship Education on the Establishment and Survival of Small, Micro and Medium Enterprises (SMMES).University of Fort Hare. South Africa. 4(2): 157-168

<sup>10</sup>RaoDr. P.V.andKalyaniMrs. P.A.L.N.S; Role of Business Incubatorsin Promoting WomenEntrepreneurship, International Journal of Science Technology and Management, Vol 6. Issue 3 March 2017

This research support to enhance understanding of how business incubators function and their impact on the national development and growth of a developing nation. The paper also point out the importance of introducing Business Incubator Strategies and Programs and the role of such important moves in ensuring sustainable value creation in wealth creation of the nation by women participation.

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