



## **“Problems faced by women entrepreneurs in India”**

**Ms Renu Chaudhary**

**ABSTRACT** Woman constitutes the family, which leads to society and Nation. Social and economic development of women is necessary for overall economic development of any society or a country. Entrepreneurship is the state of mind which every woman has in her but has not been capitalized in India in way in which it should be. Due to change in environment, now people are more comfortable to accept leading role of women in our society, though there are some exceptions.

Our increasing dependency on service sector has created many entrepreneurial opportunities especially for women where they can excel their skills with maintaining balance in their life.

Propose of this study is intended to find out various problems being faced by women entrepreneurs in India

### **Introduction**

Women Entrepreneurs may be defined as the women or a group of women who initiate, organize and operate a business enterprise. Government of India has defined women entrepreneurs as an enterprise owned and controlled by a women having a minimum financial interest of 51% of the capital and giving at least 51% of employment generated in the enterprise to women. Like a male entrepreneurs a women entrepreneur has many functions. They should explore the prospects of starting new enterprise; undertake risks, introduction of new innovations, coordination administration and control of business and providing effective leadership in all aspects of business.

### **Push-Pull factors and Women in business**

Women in business are a recent phenomenon in India. By and large they had confide themselves to petty business and tiny cottage industries. Women entrepreneurs engaged in business due to push and pull factors. Which encourage women to have an independent occupation and stands on their on legs. A sense towards independent decision-making on their life and career is the motivational factor behind this urge. Saddled with household chores and domestic responsibilities women want to get independence Under the influence of these factors the women entrepreneurs choose a profession as a challenge and as an urge to do some thing new. Such situation is described as pull factors. While in push factors women engaged in business activities due to family compulsion and the responsibility is thrust upon them.

## **OBJECTIVES AND RESEARCH METHODOLOGY OF THE STUDY**

The study is based on secondary data which is collected from the published reports of RBI, NABARD, Census Surveys, SSI Reports, newspapers, journals, websites, etc. The study was planned with the following objectives:

- To critically examine the problems faced by women entrepreneurs
- To study the impact of assistance by the government on women's entrepreneurship.
- To study the policies, programmes, institutional networks and the involvement of support agencies in promoting women's entrepreneurship.

### **Problems of Women Entrepreneurs in India**

Women in India are faced many problems to get ahead their life in business. A few problems can be detailed as;

1. The greatest deterrent to women entrepreneurs is that they are women. A kind of patriarchal - male dominant social order is the building block to them in their way towards business success. Male members think it a big risk financing the ventures run by women.
2. The financial institutions are skeptical about the entrepreneurial abilities of women. The bankers consider women loonies as higher risk than men loonies. The bankers put unrealistic and unreasonable securities to get loan to women entrepreneurs. According to a report by the United Nations Industrial Development Organization (UNIDO), "despite evidence that women's loan repayment rates are higher than men's, women still face more difficulties in obtaining credit," often due to discriminatory attitudes of banks and informal lending groups (UNIDO, 1995b).
3. Entrepreneurs usually require financial assistance of some kind to launch their ventures - be it a formal bank loan or money from a savings account. Women in developing nations have little access to funds, due to the fact that they are concentrated in poor rural communities with few opportunities to borrow money (Starcher, 1996; UNIDO, 1995a). The women entrepreneurs are suffering from inadequate financial resources and working capital. The women entrepreneurs lack access to external funds due to their inability to provide tangible security. Very few women have the tangible property in hand.
4. Women's family obligations also bar them from becoming successful entrepreneurs in both developed and developing nations. "Having primary responsibility for children, home and older dependent family members, few women can devote all their time and energies to their business" (Starcher, 1996, p. 8). The financial institutions discourage women entrepreneurs on the belief that they can at any time leave their business and become housewives again. The result is that they are forced to rely on their own savings, and loan from relatives and family friends.
5. Indian women give more emphasis to family ties and relationships. Married women have to make a fine balance between business and home. More over the business success is depends on the support the family members extended to women in the

business process and management. The interest of the family members is a determinant factor in the realization of women folk business aspirations.

6. Another argument is that women entrepreneurs have low-level management skills. They have to depend on office staffs and intermediaries, to get things done, especially, the marketing and sales side of business. Here there is more probability for business fallacies like the intermediaries take major part of the surplus or profit. Marketing means mobility and confidence in dealing with the external world, both of which women have been discouraged from developing by social conditioning. Even when they are otherwise in control of an enterprise, they often depend on males of the family in this area.

7. The male - female competition is another factor, which develop hurdles to women entrepreneurs in the business management process. Despite the fact that women entrepreneurs are good in keeping their service prompt and delivery in time, due to lack of organizational skills compared to male entrepreneurs women have to face constraints from competition. The confidence to travel across day and night and even different regions and states are less found in women compared to male entrepreneurs. This shows the low level freedom of expression and freedom of mobility of the women entrepreneurs.

8. Knowledge of alternative source of raw materials availability and high negotiation skills are the basic requirement to run a business. Getting the raw materials from different source with discount prices is the factor that determines the profit margin. Lack of knowledge of availability of the raw materials and low-level negotiation and bargaining skills are the factors, which affect women entrepreneur's business adventures.

9. Knowledge of latest technological changes, know how, and education level of the person are significant factor that affect business. The literacy rate of women in India is found at low level compared to male population. Many women in developing nations lack the education needed to spur successful entrepreneurship. They are ignorant of new technologies or unskilled in their use, and often unable to do research and gain the necessary training (UNIDO, 1995b, p.1). Although great advances are being made in technology, many women's illiteracy, structural difficulties, and lack of access to technical training prevent the technology from being beneficial or even available to females ("Women Entrepreneurs in Poorest Countries," 2001). According to The Economist, this lack of knowledge and the continuing treatment of women as second-class citizens keeps them in a pervasive cycle of poverty ("The Female Poverty Trap," 2001). The studies indicates that uneducated women donot have the knowledge of measurement and basic accounting.

10. Low-level risk taking attitude is another factor affecting women folk decision to get into business. Low-level education provides low-level self-confidence and self-reliance to the women folk to engage in business, which is continuous risk taking and strategic cession making profession. Investing money, maintaining the operations and ploughing back money for surplus generation requires high risk taking attitude, courage and confidence. Though the risk tolerance ability of the women folk in day-to-day life is high compared to male members, while in business it is found opposite to that.

11. Achievement motivation of the women folk found less compared to male members. The low level of education and confidence leads to low level achievement and advancement motivation among women folk to engage in business operations and running a business concern.

12. Finally high production cost of some business operations adversely affects the development of women entrepreneurs. The installation of new machineries during expansion of the productive capacity and like similar factors dissuades the women entrepreneurs from venturing into new areas.

### **Efforts to Develop Women Entrepreneurs**

Right efforts on from all areas are required in the development of women entrepreneurs and their greater participation in the entrepreneurial activities. Following efforts can be taken into account for effective development of women entrepreneurs.

1. Consider women as specific target group for all developmental programmes.
2. Better educational facilities and schemes should be extended to women folk from government part.
3. Adequate training programme on management skills to be provided to women community.
4. Encourage woman's participation in decision-making.
5. Vocational training to be extended to women community that enables them to understand the production process and production management.
6. Skill development to be done in woman's polytechnics and industrial training institutes. Skills are put to work in training-cum-production workshops.
7. Training on professional competence and leadership skill to be extended to women entrepreneurs.
8. Training and counselling on a large scale of existing women entrepreneurs to remove psychological causes like lack of self-confidence and fear of success.
9. Counselling through the aid of committed NGOs, psychologists, managerial experts and technical personnel should be provided to existing and emerging women entrepreneurs.
10. Continuous monitoring and improvement of training programmes.
11. Activities in which women are trained should focus on their marketability and profitability.
12. Making provision of marketing and sales assistance from government part.

13. To encourage more passive women entrepreneurs the Women training programme should be organised that taught to recognize her own psychological needs and express them.
14. State finance corporations and financing institutions should permit by statute to extend purely trade related finance to women entrepreneurs.
15. Women's development corporations have to gain access to open-ended financing.
16. The financial institutions should provide more working capital assistance both for small scale venture and large scale ventures.
17. Making provision of micro credit system and enterprise credit system to the women entrepreneurs at local level.
18. Repeated gender sensitisation programmes should be held to train financiers to treat women with dignity and respect as persons in their own right.
19. Infrastructure, in the form of industrial plots and sheds, to set up industries is to be provided by state run agencies.
20. Industrial estates could also provide marketing outlets for the display and sale of products made by women.
21. A Women Entrepreneur's Guidance Cell set up to handle the various problems of women entrepreneurs all over the state.
22. District Industries Centers and Single Window Agencies should make use of assisting women in their trade and business guidance.
23. Programmes for encouraging entrepreneurship among women are to be extended at local level.
24. Training in entrepreneurial attitudes should start at the high school level through well-designed courses, which build confidence through behavioral games.
25. More governmental schemes to motivate women entrepreneurs to engage in small scale and large-scale business ventures.
26. Involvement of Non Governmental Organisations in women entrepreneurial training programmes and counselling.

#### **STEPS TAKEN BY THE GOVERNMENT**

Development of women has been a policy objective of the government since independence. Until the 70s the concept of women's development was mainly welfare oriented. In 1970s, there was a shift from welfare approach to development approach that recognised the mutually reinforcing nature of the process of development. The 80s adopted a multi-disciplinary approach with an emphasis on three core areas of health, education and employment. Women were given priorities in all the sectors including SSI sector. Government and non government bodies have paid increasing attention to women's economic contribution through self employment and industrial ventures. The First Five-Year Plan (1951-56) envisaged a number of welfare measures for women. Establishment of the Central Social Welfare Board, organization of Mahila Mandals and the Community Development Programmes were a few steps in this direction. In the second Five-Year Plan (1956-61), the empowerment of women was closely linked with the overall approach of intensive agricultural development programmes. The Third and Fourth Five-Year Plans (1961-66 and 1969-74) supported female education as a major welfare measure. The Fifth Five-Year Plan (1974-79) emphasized training of women, who were in need of income and protection. This plan coincided with International Women's Decade and the submission of Report of the Committee on the Status of Women in India. In 1976, Women's welfare and Development Bureau was set up under the Ministry of Social Welfare. The Sixth Five-Year Plan (1980-85) saw a definite shift from welfare to development. It recognized women's lack of access to resources as a critical factor impeding their growth. The Seventh Five-Year Plan (1985-90) emphasized the need for gender equality and empowerment. For the first time, emphasis was placed upon qualitative aspects such as inculcation of confidence, generation of awareness with regards to rights and training in skills for better employment. The Eight Five-Year Plan (1992-97) focused on empowering women, especially at the Gross Roots Level, through Panchayati Raj Institutions. The Ninth Five-Year Plan (1997-2002) adopted a strategy of Women's Component Plan, under which not less than 30 percent of funds/ benefits were earmarked for women related sectors. The Tenth Five-Year Plan (2002-07) aims at empowering women through translating the recently adopted National Policy for Empowerment of Women (2001) into action and ensuring Survival, Protection and Development of women and children through rights based approach. At present, the Government of India has over 27 schemes for women operated by different departments and ministries. Some of these are:

- Integrated Rural Development Programme (IRDP)
- Khadi And Village Industries Commission (KVIC)
- Training of Rural Youth for Self-Employment (TRYSEM)
- Prime Minister's Rojgar Yojana (PMRY)
- Entrepreneurial Development programme (EDPs)
- Management Development programmes
- Women's Development Corporations (WDCs)
- Marketing of Non-Farm Products of Rural Women (MAHIMA)
- Assistance to Rural Women in Non-Farm Development (ARWIND) schemes

- Trade Related Entrepreneurship Assistance and Development (TREAD)
- Working Women's Forum
- Indira Mahila Yojana
- Indira Mahila Kendra
- Mahila Samiti Yojana
- Mahila Vikas Nidhi
- Micro Credit Scheme
- Rashtriya Mahila Kosh
- SIDBI's Mahila Udyam Nidhi
- Mahila Vikas Nidhi
- SBI's Stree Shakti Scheme
- NGO's Credit Schemes
- Micro & Small Enterprises Cluster Development Programmes (MSE-CDP).
- National Banks for Agriculture and Rural Development's Schemes
- Rajiv Gandhi Mahila Vikas Pariyojana (RGMVP)
- Priyadarshini Project- A programme for 'Rural Women Empowerment and Livelihood in Mid Gangetic Plains'
- Exhibitions for women, under promotional package for Micro & Small enterprises approved by CCEA under marketing support

The efforts of government and its different agencies are ably supplemented by NGOs that are playing an equally important role in facilitating women empowerment. Despite concerted efforts of governments and NGOs there are certain gaps. Of course we have come a long way in empowering women yet the future journey is difficult and demanding.

## **Conclusion**

Independence brought promise of equality of opportunity in all sphere to the Indian women and laws guaranteeing for their equal rights of participation in political process and equal



opportunities and rights in education and employment were enacted. But unfortunately, the government sponsored development activities have benefited only a small section of women. The large majority of them are still unaffected by change and development activities have benefited only a small section of women i.e. the urban middle class women. The large majority of them are still unaffected by change and development. The reasons are well sighted in the discussion part of this article. It is hoped that the suggestions forwarded in the article will help the entrepreneurs in particular and policy-planners in general to look into this problem and develop better schemes, developmental programmes and opportunities to the women folk to enter into more entrepreneurial ventures. This article here tries to recollect some of the successful women entrepreneurs like Ekta Kapoor, Creative Director, Balaji Telefilms, Kiran Mazumdar Shaw, CEO, Biocon, Shahnaz Husain and Vimalben M Pawale, Ex President, Sri Mahila Griha Udyog Lijjat Papad (SMGULP).

## References

- Cohoon, J. McGrath, Wadhwa, Vivek & Mitchell Lesa, (2010), The Anatomy of an Entrepreneur- Are Successful Women Entrepreneurs Different From Men? Kauffman, The foundation of entrepreneurship.
  - Greene, Patricia G., Hart, Myra M, Brush, Candida G, & Carter, Nancy M, (2003), Women Entrepreneurs: Moving Front and Center: An Overview of Research and Theory, white paper at United States Association for Small Business and Entrepreneurship.
  - Hackler, Darrene; Harpel, Ellen and Mayer, Heike, (2008), "Human Capital and Women's Business Ownership", Arlington, Office of Advocacy U.S. Small Business Administration, August 2006, VA 22201 [74], No. 323.
  - Handbook on Women-owned SMEs, Challenges and Opportunities in Policies and programmes, International Organization for Knowledge Economy and Enterprise Development.
  - [http://www.nfwbo.org/Research/8-21-2001/8-21-\(2001\).htm](http://www.nfwbo.org/Research/8-21-2001/8-21-(2001).htm)
  - Jalbert, Susanne E., (2008), Women Entrepreneurs in the Global Economy, education research. <http://research.brown.edu/pdf/1100924770.pdf>.
  - Lall, Madhurima, & Sahai Shikha, 2008, Women in Family Business, presented at first Asian invitational conference on family business at Indian School of Business, Hyderabad.
  - Mathew, Viju,(2010), "Women entrepreneurship in Middle East: Understanding barriers and use of ICT for entrepreneurship development", Springer Science + Business Media, LLC 2010
  - Moore, D. P. & Buttner, E. H. (1997). Women entrepreneurs: Moving beyond New Generation of Women Entrepreneurs Achieving Business Success.
  - Orhan M. & Scott D. (2001), Why women enter into entrepreneurship: an explanatory model. *Women in Management Review*, 16(5): 232-243.
  - Singh, Surinder Pal, (2008), An Insight Into The Emergence Of Women-owned Businesses As An Economic Force In India, presented at Special Conference of the Strategic Management Society, December 12-14, 2008, Indian School of Business, Hyderabad
- 
- .Jose P., Ajith Kumar. & Paul T.M., (1994) Entrepreneurship Development, Himalaya Publishing.
  - .Medha Dubhashi Vinze (1987) Women Entrepreneurs In India: A Socio-Economic Study of Delhi - 1975-76, Mittal Publications, New Delhi.
  - .Renuka V. (2001) Opportunities and challenges for women in business, India Together, Online Report, Civil Society Information Exchange Pvt. Ltd.
  - .Starcher, D. C. (1996). *Women entrepreneurs: Catalysts for transformation*. Retrieved July 6, 2001: [http:// www.ebbf.org/woman.htm](http://www.ebbf.org/woman.htm)<sup>10</sup> (c20012695<sup>11</sup>)
  - . "The female poverty trap." (2001, May 8). *The Economist*. Retrieved March 14, 2001: <http://www.economist.com><sup>12</sup> (c20012022<sup>13</sup>)
  - . United Nations Industrial Development Organization (UNIDO). (1995a). "Women, industry and entrepreneurship." *Women in Industry Series*. Vienna, Austria: author. Retrieved July 6, 20001:



<http://www.unido.org/doc/150401.htmls><sup>15</sup> (c20012668<sup>16</sup>)

. United Nations Industrial Development Organization (UNIDO). (1995b). "Women, industry and technology." *Women in Industry Series*. Vienna, Austria: author. Retrieved July 6, 2001: <http://www.unido.org/doc/150401.htmls><sup>15</sup> (c20012666<sup>18</sup>)

















