

Challenges Faced By Women Entrepreneurs in India

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Abstract

To study the challenges faced by women entrepreneurs and the measures taken by Government to increase women entrepreneurship, the secondary sources were explored. Information was also collected by surfing the net. Women who innovate, imitate or adopt a business activity are called women entrepreneurs. In India women faces lots of challenges related to finance, raw material, stiff competition, legal formalities, family ties etc. Only 13.72 lack enterprises owned by women out of 86.28 lacks. Government of India also did Government and non government bodies have paid increasing attention to women's economic contribution through self employment and industrial ventures.

Key words: *Entrepreneurs, Women, Enterprises, Challenges.*

Entrepreneurship has been a male-dominated phenomenon from the very early age. Women are considered not only as fairer sex but also as weaker sex and always to depend on men folk in their family and outside, throughout their life. But time has changed the situation and brought women as today's most memorable and inspirational entrepreneurs. It is estimated that women entrepreneurs presently comprise about 10% of the total number of entrepreneurs in India, with the percentage growing every year. If the prevailing trends continue, it is likely that in another five years, women will comprise 20% of the entrepreneurial force (Saidapur *et.al*, 2012)

The entry of women into business in India is traced out as an extension of their kitchen activities, mainly 3P's, Pickle, Powder and Pappad. But with the spread of education and passage of time women started shifting from 3P's to modern 3E's i.e., Energy, Electronics and Engineering. Skill, knowledge and adaptability in business are the main reasons for women to emerge into business ventures. Women perform 66 percent of the world's work, produce 50 percent of the food, but earn only 10 percent of the income and own one percent of the property (World Bank Report, 2011). Globally, women represent 49.6 percent of the total population, but only 40.8 percent of the total workforce is in the formal sector. Today, many women have established their own economy i.e., entrepreneurial empire and are now ruling their world as they wished to. The hidden entrepreneurial potentials of women have gradually been changing with the growing sensitivity to the role and economic status in the society. Skill, knowledge and adaptability in business are the main reasons for women to emerge into business ventures.

Women Entrepreneur" is a person who accepts challenging role to meet her personal needs and become economically independent. An enterprise owned and controlled by a woman having a minimum financial interest of 51% of the capital and giving at least 51% of the employment generated in the enterprise to women." (**Government of India**) Women's entrepreneurship research and the understanding of factors influencing the growth of women-owned business have advanced significantly over the last decade. Yet, challenges remain. Women Entrepreneurs and the Global Environment for Growth provide wide-ranging insights on the challenges those women entrepreneurs face growing their businesses and how these may be addressed. To study the challenges faced by women entrepreneurs and the measures taken by Government to increase women entrepreneurship, the secondary sources viz; past researches, reports, journals and magazines were explored. Information was also collected by surfing the net.

Result and Discussions

Women entrepreneurs encounter a series of challenges right from the beginning till the enterprise functions. The problems of Indian women pertain to her responsibility towards family, society and others work .Women in India are faced with many problems to get ahead their life in business. These are discussed as follows:

- 1. Access to start-up finance:** It is observed that women entrepreneurs face greater problems in this regard than small business in general. As family members are not in favour of supporting their ladies to take up the business in which they have skills, naturally they will be unwilling to support with the finance required for starting a business unit. They also face the difficulty in obtaining finance, managing the working capital and credit. Women entrepreneurs suffer from shortage of finance on two counts; women do not generally have property on their names to use them as collateral for obtaining funds from external sources. Secondly, the banks also consider women less credit- worthy and discourage women borrowers on the belief that they can at any time leave their business. More than 50 per cent of the women used their own funds or funds borrowed from their spouse or family to set up their business (Das, 2000).
- 2. Scarcity of raw material:** Most of the women enterprises are plagued by the scarcity of raw material and necessary inputs. Added to this are the high prices of raw material, on the other. The failure of many women co-operations in 1971 such as these engaged in basket making were mainly because of the inadequate availability of forest-based raw materials. Nayyar *et al.* (2007) found the production problems, included the problem of non-availability of raw material.
- 3. Stiff competition:** Women entrepreneurs usually employ low technology in the process of production. In a market where the competition is too high, they have to fight hard to survive in the market against the organised sector and their male counterpart who have vast experience and capacity to adopt advanced technology in managing enterprises. Such a competition ultimately results in the liquidation of women enterprises.
- 4. Limited mobility:** The Indian society is a conservative society which restricts the mobility of women entrepreneurs. Women are less mobile than men. Cumbersome exercise involved in starting an enterprise coupled with the officials humiliating attitude towards women compels them to give up an idea of starting an enterprise.
- 5. Family ties:** A woman's main duty to look after the children and other members of the family, because of this she could not allocate sufficient time to the business. The demands associated with running the business and home may therefore restrict the growth and potential success of many women-owned businesses (Wendy Ming -Yen, 2007). Support and approval of husbands seem necessary condition or women's entry in to the business. Accordingly, the educational level and family background of husbands positively influence women's entry into business activities. Women entrepreneurs face specific challenges in the form of family commitments and sex-role conflicts (Lee and Choo, 2001; Singh and Belwal, 2008).
- 6. Lack of education:** Illiteracy is the root cause of socio- economic problems. Due to the lack of education and that too qualitative education, women are not aware of business, technology and market knowledge. Various studies have proved that lack of education resulted in low achievement motivation among women.
- 7. Lack of management skills:** Skills are concerned with and ranged from day to day management to long-term strategic development. In majority of the cases, women entrepreneurs lacked management skills. They have to depend on other persons like office staff and middle men to get things done, particularly marketing function. Because they have lower propensity of previous business experience. Besides this, support providers discriminate against women entrepreneurs to a greater extent in providing these skills. They had poor work life balance including lack of growth & wishes to grow and most importantly women as other groups are heterogeneous (Damwad, 2007).
- 8. Legal formalities:** Fulfilling the legal formalities required for running an enterprise becomes an uphill task on the part of women entrepreneur because of the prevalence of corrupt practices in government offices and procedural delays for various licenses, electricity, water and shed allotments. In such situations women entrepreneurs find it hard to concentrate on the smooth working of the enterprise.

9. Male dominated society: The constitution of India speaks of equality between sexes. But, in practice women are looked as weak in all aspects. Their entry to business requires the approval of the head of the family. Male members think it a big risk financing the ventures run by women which in turn, serves as a barrier to women entry into business.

10. Low risk-bearing ability: Risk bearing is an essential requisite of a successful entrepreneur. It is normally believed that women being feminist gender have low risk taking ability. Because of this, they are suppressed by the protected environment and are not allowed most of the time to take any type of risk even if she has capacity to bear it. They are less educated and economically not self-dependent. All these reduce their ability to bear risk involved in running an enterprise (Singh & Raghuvanshi, 2012).

Other problems:

- Kumar (2005) highlighted that 49 percent women entrepreneurs faced the problems related to labour absenteeism & availability of superior products, competition from big producers (45%), publicity of product (40%), changing market conditions (39%), gender discrimination & non availability of skilled workers (38%), getting information about the product (36%), decline in profit margin (35%), lack of higher education (27%), fulfillment of legal formalities, high rate of interest (26%), too much paper formalities and identification of customer (18%) while doing the business.
- Tagore *et al.* (2005) examined the financial challenged faced by urban SMEs under financial sector liberalisation. Main challenges faced by urban SMEs are access to affordable credit over a reasonable period. To manage this challenge SMEs should manage record keeping in an effective manner. Moreover, availability of collateral improves SMEs access to formal credit. But better availability of investment avenues further reduces the accessibility of credit to SMEs.
- Bhardwaj and Parashar (2011) stated major hurdles that the women face during starting and running a company generally come from financing and balancing of life. The balancing of life is caused due to lack of family support for the women. The other hindering external factors include gender discrimination, inaccessibility to information, training opportunities, infrastructure etc. Some internal factors like risk aversion by women, lack of confidence, lack of vision of strategic leader etc. can also create obstacles for the women entrepreneurship development.
- Mambula (2002) revealed that majority of SMEs face the problem of finance and infrastructure while managing their businesses. The author recommended that small business entrepreneurs should collaborate with each other to sort out the various problems faced by them. There is a need to form alliance of Government, Research Institutions and Financial Institutions to create appropriate training for prospective small business.

Status of women entrepreneurs in India

Indian women are not only educated, talented, confident, assertive, ambitious, career oriented but they also know their minds. This helps them to juggle the tasks, manage all the chores and strike a fine balance between the professional and personal lives. **Parihar and Singh (2006)** suggested that the attitude of women entrepreneurs need to be reoriented towards the promotion of leadership qualities. The government has to take efforts to provided market assistance, provision of land, create awareness of its schemes and assistance to women entrepreneurs.

Table-1: Functional status of enterprises in India

Condition	No. of Enterprises (in lakh)	Percentage
Working	15.64	70
Closed	4.96	22
Non traceable	1.88	8
Total	22.48	100

Source:

(Forth all India census of micro small & medium enterprises, census 2011)

Table-2: Ownership of enterprises by gender in rural and urban areas

	Female	Male
Rural	15.27	84.73
Urban	12.45	87.55
All	13.72	86.28

Source: (Forth all India census of micro small & medium enterprises, census 2011)

Table-3: Percentage Distribution of Enterprises by gender of owner and sector

Sector	Female	Male
Micro	14.19	85.81
Small	5.06	94.94
Medium	4.21	95.79
All	13.72	86.28

Source: (Forth all India census of micro small & medium enterprises, census 2011)

- Das (2000-01) stated that the majority of the women entrepreneurs were operating their businesses as private limited companies that were 100 percent owned by themselves. Only one third were partnerships with the spouse (31%) or a family member (44%) being the most common partners. The women were asked why they started a business in the first place. The most common reasons were financial in nature.
- Kumar (2004) revealed that almost 50 percent of women entrepreneurs were managing their business from their homes and one third had rented shops and invested upto Rs. 2 lack in business (59%), between 2-3 lack (17%) and earning 10,000 per month (45%) and 15,000-20,000 per month (22%) in business.
- Singh and Raghuvanshi (2012) indicated that among the small scale industrial units owned by women entrepreneurs in India, Kerala tops the list with 1.39 lakh units, followed by Tamil Nadu with 1.30 lakh units. Tamil Nadu ranks second in the total number of small-scale units owned by women entrepreneurs in India. Lakshadweep has the lowest number of small-scale units owned by women entrepreneurs (67 units).
- Sultana (2012) found that 70 percent women involved in handicraft sector, 12.5 percent in garments or home textile and 10 percent have their own parlours.

Women Empowerment and Planning Process in India

First Five-Year Plan (1951-56) planning commission envisaged a number of welfare measures for women. The Central Social Welfare Board (CSWB) was established to deal with the problems of women under which Mahila Mandals and The Community Development Programmes were established.

Second Five-Year Plan (1956-61) protection against injuries at work, maternity benefits and crèches for their children. It also suggested immediate implementation of the principal of equal pay for equal work and provision for training to enable women to compete for higher jobs.

Third and Fourth Five-Year Plans (1961-66 and 1969-74) greater importance on female education as a major welfare measure.

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 & submission of Report of the Committee on Status of Women in India. In 1976, Women's Welfare & Development Bureau was set up under Ministry of Social Welfare.

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.

Seventh Five-Year Plan (1985- 92) Ministry of Human Resource Development set up Department for Women & Child Development constituted in HRD Ministry and 27 major women specific schemes identified for monitoring to assess quantum of funds/benefits flowing to women

Eighth Five-Year Plan (1992-97) for the first time highlighted the need to ensure a definite flow of funds from general developmental sectors to women. It commented: special programmes on women should complement the general development programmes. The latter in turn should reflect greater gender sensitivity”

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.

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.

Eleventh Five-Year Plan (2007-12) Government of India has over 27 schemes for women operated by different departments and ministries.

Conclusion:

It is observed that Indian women even facing many obstacles, their participation in the field of entrepreneurship is increasing at a considerable rate. The role of Women entrepreneur in economic development is also being recognized and steps are being taken to promote women entrepreneurship. Govt. of India has come forward with many facilities, concessions and incentives exclusively for women entrepreneur. But unfortunately, the government sponsored development activities have benefited only a small section of women and attitudes of govt. officers are still reserved that women could not run a business very well.

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