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## Women Entrepreneurs in India: Emerging Issues and Challenges

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### **Abstract:**

*Women are the powerful creation of god as it has the power to beautify the world of men. Women have always been the major contributor of human capita since the creation of this universe. Earlier, they were confined to household activities, but time is changing very fast. In the Changed scenario, awareness has motivated women to start their own enterprises and contribute to the family income. Due to awakening and desire for economic independence among women all over the world, including India, a large number of women entrepreneurs is appearing on the map of entrepreneurship. And these days there is no dearth of assistance too for them from the government and the non government organizations who are willing to encourage women to be self-employed and succeed, by offering training programmes, consultancy services and guidance.*

*Women Entrepreneurs demonstrates the promise and power of entrepreneurship when it comes to expanding the array of opportunities available to women, their families, and their communities. It shows, above all, that obstacles can be overcome and goals met, even under the most inauspicious of circumstances. Women entrepreneurship is gaining importance in India in the wake of economic liberalization and globalization. However, entrepreneurship development and skill training is not the only responsibility of Government and therefore other stakeholders need to shoulder the responsibility. Women-owned businesses enterprises are playing a more active role in society and the economy, inspiring academics to focus on this interesting phenomenon. This paper focuses on the problems, issues, challenges faced by women entrepreneurs, how to overcome them and status of women entrepreneur in India.*

**Key words:** Women Entrepreneurs, training programmes, entrepreneurship development, liberalization and globalization

### **1. Introduction**

Entrepreneurship has gained currency across the sphere and female- entrepreneurship has become an important module. India is one of the fastest emerging economies and the importance of entrepreneurship is realized across the gamut. "Women Entrepreneurship" means an act of business ownership and business creation that empowers women economically increases their economic strength as well as position in society. Women-entrepreneurs have been making a considerable impact in all most all the segments of the economy. "Women Entrepreneur" is a person who denies the role of their personal needs to participate and be accepted economically independent. Strong desire to do something positive is a high-quality women entrepreneur who contributes to the position values of family and social life. According to Kamala Singh, "A woman entrepreneur is a confident, innovative and creative woman capable of achieving economic independence individually or in collaboration generates employment opportunities for others through initiating establishing and running an enterprise by keeping pace with her personal, family and social life. According to Medha Dubhanshi Vinze, "a women entrepreneur is a person who is an enterprising individual with an eye for opportunities and an uncanny vision, Commercial acumen, with tremendous perseverance and above all a person who is willing to take risk with the unknown because of the adventures spirit, she possesses." In the words of Former President APJ Abdul Kalam "empowering women is a prerequisite for creating a good nation, when women are empowered, society with stability is assured. Empowerment of women is essential as their thoughts and their value systems lead to the development of a good family, good society and ultimately a good nation." Pandit Jawaharlal Lal Nehru has remarked "When women move forward, the family moves, the village moves and the Nation moves." Women Entrepreneurs have been making a significant impact in all segments of economy of the world. Their willingness for the future is apparent in their growing confidence, in their strengths and in their desire to seek different forms of work in order to achieve a new balance between work and home. Women Entrepreneurs may be defined as the woman or group of women who initiate, organize and co-operate a business enterprise. Government of India has defined women entrepreneurs as an enterprise owned and controlled by a woman having a minimum financial interest of 51% of the capital and giving at least 51% of employment generated in the enterprise to women. The Indian women are no longer treated as show pieces to be kept at home. They are also enjoying the impact of globalization and making an influence not only on domestic but also on international sphere. Women are doing a wonderful job striking a balance between their

## 2. Objectives

- To identify problems, issues, challenges faced by women entrepreneurs.
- And how to overcome them and status of women entrepreneur in India.
- To identify the Role of government and future prospects of women entrepreneurs.

## 3. Problems of Women Entrepreneurship in India

Women entrepreneurs encounter two sets of problems, viz, general problems of entrepreneurs and problems specific to women entrepreneurs. These are discussed as follows:

- **Problem of finance:** Finance is regarded as “life blood” for any enterprise, be it big or small. However, women entrepreneurs suffer from shortage of finance on two counts. Firstly, women do not generally have property on their names to use them as collateral for obtaining funds from external sources. Thus, their access to the external sources of funds is limited. 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. Given such situation, women entrepreneurs are bound to rely on their own savings, if any and loans from friends and relatives who are expectedly meager and negligible. Thus, women enterprises fail due to the shortage of finance.
- **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- operatives in 1971 engaged in basket making is an example how the scarcity of raw material sounds the death- knell of enterprises run by women.
- **Stiff Competition:** Women entrepreneurs do not have organization set- up to pump in a lot of money for canvassing and advertisement. Thus, they have to face a stiff competition for marketing their products with both organized sector and their male counterparts. Such a competition ultimately results in the liquidation of women enterprises.
- **Limited Mobility:** Unlike men, women mobility in India is highly limited due to various reasons. A single woman asking for room is still upon suspicion. 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.
- **Family Ties:** In India, it is mainly a woman’s duty to look after the children and other members of the family. Man plays a secondary role only. In case of a married woman, she has to strike a fine balance between her business and family. Her total involvement in family leaves little or no energy and time to devote for business. Support and approval of husbands seem necessary condition or women’s entry in to business. Accordingly, the educational level and family background of husbands positively influence women’s entry into business activities
- **Lack of Education:** In India, around three- fifths (60%) of women are still illiterate 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. Also, lack of education causes, low achievement motivation among women. Thus, lack of education creates problems for women in the setting up and running of business enterprises.
- **Male dominated Society:** Male chauvinism is till the order of the day in India. The constitution of India speaks of equality between sexes. But, in practice women are looked upon as able i.e. weak in all respects. Women suffer from male reservations about a women’s role, ability and capacity and are treated accordingly. In a nutshell, in the male dominated Indian society, women are not treated equal to men. This in turn, serves as a barrier to women’s entry into business.
- **Low Risk- Bearing Ability:** Women in India lead a protected life. They are less educated and economically not self- dependent. All these reduce their ability to bear risk involved in running an enterprise. Risk bearing is an essential requisite of a successful entrepreneur. In addition to above problems, inadequate infra structural facilities, shortage of power, high cost of production, social attitude, low need for achievement and socio- economic constraints also hold the women back from entering into business
- **Not Being Taken Seriously:** Within the business world, women’s opinions and advice are not always viewed as “expert” compared to a man’s opinion. And when a female starts a business, sometimes family, friends, and others in the business community can view it as a hobby or a side project to family duties, rather than a bona fide business. Seeking out extra support can help to help overcome this bias, but women need to realize that this is a true gender bias obstacle.
- **Wearing Too Many Hats:** In their personal lives, women have a tendency to try to be everything to everyone and wear so many different hats that juggling everything becomes very difficult. So, when women add “entrepreneur” and “business owner” into the mix, this tendency is further magnified. Women can feel like they have to “do it for themselves” or are the best person for every job and have a tougher time delegating responsibilities to others. This causes more time to be spent working in their business, rather than on their business. This is a major hurdle to overcome in order to have a successful business.
- **Lack of entrepreneurial aptitude:** Lack of entrepreneurial aptitude is a matter of concern for women entrepreneurs. They have no entrepreneurial bent of mind. Even after attending various training programmes on entrepreneurship women entrepreneurs fail to tide over the risks and troubles that may come up in an organisational working.
- **Legal formalities:** Fulfilling the legal formalities required for running an enterprise becomes an upheaval task on the part of a 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.

#### 4. Growth of Women entrepreneurs in India

Increase in cost of living has prompted the Indian women to undertake economic activities in order to support their families. They are coming forward to take risks, face challenges and prove to the world that their role in the society is no more limited to that of buyers but they can be also successful sellers.

There are thousands of good examples where women have shown entrepreneurial talents and have succeeded. Women entrepreneurs are the key players in any developing country in terms of their contribution to economic development. Now, it is imperative to know who is an women entrepreneur.

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. Women in business are a recent phenomenon in India. By and large they had confide themselves to petty business and tiny cottage industries.

Almost half of India's population consists of women. But they constitute a very negligible proportion of the total entrepreneurs. Entrepreneurial traits and competencies have not been well developed amongst the women entrepreneurs. They are very shy in nature and emotionally attached to the family. They are treated as weak and dependent on men. They are the neglected sections in the society. In spite of the above, in sixties, women have started entrepreneurial activities as one- woman enterprises at home and from home for self-occupation and engagement. The number of women entrepreneurs was only 6000 which miserably low during the period.

Indian women started their entrepreneurial work in 1970s. Their entrepreneurship is traced out as an extension of kitchen activities mainly pickles, powder and pappad. Women are encouraged to start an occupation or venture with an urge to do something independently started to tide over their economic difficulties and responsibilities.

In the seventies, Government of India has also brought a change in its policy objective of welfare approach of women to development approach of women. Women were given priorities in all the sectors including small scale industries sector. As a result, the number of women entrepreneurs has increased over the years.

During 1980s, government and non-government bodies have paid increasing attention to women entrepreneurs through formulation of various policies and programmes and introduction of new schemes and incentives. It adopted a multi-disciplinary approach for development of women entrepreneurs. Women entrepreneurs were given top priority for implementation of programmes under agricultural and its allied activities of diary farming, poultry, animal husbandary, handlooms, handicrafts and small scale industries, etc. With growing awareness about business and due to growth of educational level, in professional education, industrialisation, urbanisation and democratic values awareness, the tradition bound Indian society has undergone a change and women entrepreneurs have shifted their entrepreneurial activities to engineering, electronics and energy. They made personal choices, stood up for their convictions and had the courage and strength to enter into new ventures. As a result of these efforts, number of women entrepreneurs has increased over the years.

#### 5. Qualities of Women Entrepreneurs

**Creative:** It refers to the creative approach or innovative ideas with competitive market. Well planned approach is needed to examine the existing situation and to identify the entrepreneurial opportunities. It further implies that women entrepreneur's have alliance with clued-up people and constricting the right organization offering support and service.

**Hard working nature:** Innovative women have further ability to work hard. The creative ideas have to come to a fair play. Hard work is required to build up an enterprise.

**Determination:** Women entrepreneurs must have an intention to fulfill their dreams. They have to make a dream transferred into an idea enterprise

**Ability and desire to take risk:** the desire refers to the willingness to take risk and ability to the proficiency in planning making forecast estimates and calculations.

**Profit earning capacity:** she has a capability to get maximum return out of invested capital.

Categories of Women Entrepreneurs in India:

##### 5.1. First Category

- Established in big cities
- Having higher level technical & professional qualifications
- Non traditional Items
- Sound financial positions

##### 5.2. Second Category

- Established in cities and towns
- Having sufficient education
- Both traditional and non traditional items
- Undertaking women services-kindergarten, crèches, beauty parlors, health clinic etc

### 5.3. Third Category

- Illiterate women
- Financially weak
- Involved in family business such as Agriculture, Horticulture, Animal Husbandry, Dairy, Fisheries, Agro Forestry, Handloom, Power loom etc.

### 6. Supportive Measures for Women's Economic Activities and Entrepreneurship Direct & Indirect Financial Support

- Nationalized banks
- State finance corporation
- State industrial development corporation
- District industries centers
- Differential rate schemes
- Mahila Udyog Needhi scheme
- Small Industries Development Bank of India (SIDBI)
- State Small Industrial Development Corporations (SSIDCs) Yojna Schemes and Programme
- Nehru Rojgar Yojna
- Jacamar Rojgar Yojna
- TRYSEM
- DWACRA Technological Training and Awards
- Stree Shakti Package by SBI
- Entrepreneurship Development Institute of India
- Trade Related Entrepreneurship Assistance and Development (TREAD)
- National Institute of Small Business Extension Training (NSIBET)
- Women's University of Mumbai Federations and Associations • National Alliance of Young Entrepreneurs (NAYE)
- India Council of Women Entrepreneurs, New Delhi
- Self Employed Women's Association (SEWA)
- Association of Women Entrepreneurs of Karnataka (AWEK)
- World Association of Women Entrepreneurs (WAWA)
- Associated Country Women of the World (ACWW)

Some of the Successful Leading Business Women in India are:

- Mahila Grih Udyog – 7 ladies started in 1959: Lizzat Pappad
- Lakme – Simon Tata
- Shipping corporation – Mrs. Sumati Morarji
- Exports – Ms. Nina Mehrotra
- Herbal Heritage – Ms. Shahnaz Hussain
- Balaji films - Ekta Kapoor
- Kiran Mazumdar - Bio-technology

### 7. Role of Government to Develop Women Entrepreneurs in India

The growth and development of women entrepreneurs required to be accelerated because entrepreneurial development is not possible without the participation of women. Therefore, a congenial environment is needed to be created to enable women to participate actively in the

entrepreneurial activities. There is a need of Government, non-Government, promotional and regulatory agencies to come forward and play the supportive role in promoting the women

entrepreneur in India. The Government of India has also formulated various training and development cum employment generations programs for the women to start their ventures. These programmes are as follows: In the seventh five-year plan, a special chapter on the "Integration of women in development" was introduced by Government with following suggestion:

- **Specific target group:** It was suggested to treat women as a specific target groups in all major development programs of the country.
- **Arranging training facilities:** It is also suggested in the chapter to devise and diversify vocational training facilities for women to suit their changing needs and skills.
- **Developing new equipments:** Efforts should be made to increase their efficiency and productivity through appropriate technologies, equipments and practices.
- **Marketing assistance:** It was suggested to provide the required assistance for marketing the products produced by women entrepreneurs.
- **Decision-making process:** It was also suggested to involve the women in decision-making process. The Government of India devised special programs to increase employment and income-generating activities for women in rural areas. The following plans are launched during the Eight-Five Year Plan:

- Prime Minister Rojgar Yojana and EDPs were introduced to develop entrepreneurial qualities among rural women.
- ‘Women in agriculture’ scheme was introduced to train women farmers having small and marginal holdings in agriculture and allied activities.
- To generate more employment opportunities for women KVIC took special measures in remote areas.
- Women co-operatives schemes were formed to help women in agro-based industries like dairy farming, poultry, animal husbandry, horticulture etc. with full financial support from the Government.
- Several other schemes like integrated Rural Development Programs (IRDP), Training of Rural
- youth for Self employment (TRYSEM) etc. were started to alleviate poverty. 30-40% reservation is provided to women under these schemes.

#### Future Prospects for Development of Women Entrepreneurs:

- Education is a boon to mankind, while lack of education to a person is a bane now-a-days. Throughout the world, we can observe that the ratio of women entrepreneurs is growing tremendously. The emergence as well as development of women entrepreneurs is quite visible in India and their over-all contribution to Indian economy is also very significant. Today the role of Women entrepreneur in economic development is inevitable because women are entering not only in selected professions but also in professions like trade, industry and engineering.
- The industrial structure and the enterprises are undergoing a radical change. Information Technology has transformed the very technique of doing business. Individually, business ownership provides women with the independence they crave and with economic and social success they need. Nationally, business ownership has great importance for future economic prosperity. Globally, women are enhancing, directing, and changing the face of how business is done today. Ultimately, female business owners must be recognized for who they are, what they do, and how significantly they impact the world’s global economy.
- Women should be considered as specific target group for all development programmes. Govt. should extend better educational facilities and schemes to women folk. Adequate training programs on management skills should be provided to women community. Encourage women’s participation in decision making. Vocational training should be extended to women community to enable them to understand the production process and management.
- Training on professional competence and leadership skills should be extended to women entrepreneurs. Activities in which women are trained should focus on their marketability and profitability. State Finance Corporations and financing institutions should permit by statute to extend purely trade related finance to women entrepreneurs. And lastly women’s development corporation has to gain access to open-ended financing

#### 8. Suggestions

- Women entrepreneurs should be treated as a separate group for all entrepreneurial development programmes.
- Vocational training should be developed by the government for women.
- Institutional support system should be designed to suit the requirements of women entrepreneurs.
- Encouragement should be given to appropriate technologies, and practices for reducing their drudgery and increasing their efficiency and productivity.
- Public speaking scheme also provided by the govt. to the women entrepreneurs.
- Creating provision of micro credit system and enterprise credit system to the women entrepreneurs at local level with low rate of interest.
- Counseling through the aid of committed NGOs, psychologists, managerial experts and technical personnel should be provided to existing and emerging women entrepreneurs.
- Infrastructure, in the form of industrial plots and sheds, to set up industries is to be provided by state run agencies.

#### 9. Conclusion

Women have the potential and the determination to set up, uphold and supervise their own enterprises in a very systematic manner. Appropriate support and encouragement from the Society in general and family members in particular is required to help them scale new heights in their business ventures. The right kind of assistance from family, society and Government can make these Women Entrepreneurs a part of the mainstream of national economy and they can contribute to the economic progress of India in this era of globalization. More-over with increasing Government and Non-Government and other financial institutions assistance for various women entrepreneurs within the economy there can be significant increase brought about in the growth of women entrepreneurship process. Still efforts are being made to coordinate with the enterprise activities of women and providing them utmost financial, morale, psychological support by various institutions working within the economy and world-wide. Thus, Women have the potential and the determination to set up, uphold and supervise their own enterprises in a very systematic manner. Appropriate support and encouragement from the Society in general and family members in particular is required to help these women scale new heights in their business ventures. The right kind of assistance from family, society and Government can make these Women Entrepreneurs a part of the mainstream of national economy and they can contribute to the economic progress of India.

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