

## **PROBLEMS OF WOMEN ENTREPRENEURSHIP IN INDIA- A STUDY**

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### **Abstract**

Studies on women entrepreneurship have witnessed a rapid growth over the past 30 years. Entrepreneurship is a key element of growth and development prospects for all countries. A nation how so ever rich in material resources, cannot prosper if its resources are not put to productive use, for this purpose, energetic entrepreneurs are needed who can contribute effectively for national prosperity. The only solution is promotion and development of Entrepreneurship, as entrepreneurship aims at making an individual a job provider and not a job seeker. Entrepreneurship has been a male-dominated phenomenon from the very early age but time has changed the situation and brought women as today's most memorable and inspirational entrepreneurs. The position and status of women in any society is an index of its civilization and progress. In almost all the developed countries in the world women are putting their steps at par with the men in the field of business. Women are equally competent in running business but still lacks behind in spite of women empowerment

movement in our country, there are social, cultural and economic hurdles in the way of women entrepreneurship and the major problem is lack of entrepreneurial environment. In spite of having the potential and talent, women are deprived of opportunities, information and education..

### **Keywords**

Women entrepreneurship, Problems and challenges faced by women entrepreneurs .

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### **Introduction:**

The term “Women Entrepreneur” deals with that section of the female population who venture out into industrial activities i.e. manufacturing, assembling, job workers, repairs/servicing and other businesses. Women entrepreneurs may be defined as the women or a group of women who initiate, organize and operate a business enterprise. Women are expected to innovate, imitate or adopt an economic activity to be called women entrepreneurs.

The word entrepreneur is derived from the French word “entreprendre” which means a person who carries out the task of bringing together various resources and manages them to accomplish desired results and take some portion. Women Entrepreneurs may be defined as the women or a group of women who initiate, consolidate and run a business enterprise. Government of India has defined Women Entrepreneurs as an enterprise owned and controlled by women having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generated in the enterprise to women. Women Entrepreneurship in India symbolizes a group of women who are

discovering new opportunities of economic participation.

Women entrepreneurs’ enterprise as defined for the first time, in 1988 lay down that an enterprise owned and administered by a woman entrepreneur with a minimum financial interest of 51 per cent in the share capital and giving at least 50 per cent employment to women would be treated as women’s enterprise. The investment ceilings were kept at par with the limits specified in 1985 for other units, i.e. up to Rs. 35 lakh for SSI units and up to Rs. 45 lakh for ancillaries. This definition was revised in August 1991, by dispensing with the employment criterion for women workers. Currently, the women’s enterprise is defined as a small scale industrial unit/industry related service or business enterprise managed by one or more women entrepreneurs in proprietary concerns in which she/they individually or jointly have a share of capital of not less than 51 per cent as partners/shareholders/directors of private limited companies/members of cooperative societies.

## **Objectives**

- To study the Concept of women entrepreneurship in India.
- To study the problems and challenges faced by women entrepreneurs in India.
- To study the initiatives taken by government for women entrepreneurs in India.

### **Review of Literature**

**C.Arvind and S. Renuka**, The study conducted to examine the profile of women entrepreneur, motivation and facilitating work home role conflict faced by women entrepreneurs. The researcher found that the important factors which motivated the women towards entrepreneurship are self interest in that particular area of enterprise and inspiration from others success. The facilitating factor that had an impact in maintaining the enterprise successfully were self experience, interest, family's help and support. The researcher realize that the women entrepreneurs in general face conflict in work and home roles ,as well as conflict in work role pertained to in abilities to expand the enterprise and optimum utilization of available skill. Study concludes that women entrepreneurs require

a congenial entrepreneurial climate which motivates and facilitates women to take up entrepreneurial career.

**Cooper A. and Goby(1999)** in their descriptive study of female business owners in Singapore reported characteristics similar to those of other studies from around the world. Women were reported as motivated by the desire to become their own bosses. They were educated, had prior work experience, and desired freedom and flexibility to meet the combined responsibilities of work and family. They owned small service and retail businesses that they had started largely with personal capital and loans from family and friends

**Dhameja, S.K. Bhatia, B.S. Sain, J. S.** with a view to add to the existing small body of knowledge in the area of women entrepreneurship, the study was taken up in the state of Haryana. Study was initiated taking into consideration two main objectives i.e. firstly, to study the extent of fulfillment of expectation of women entrepreneurs with regard to various support agencies and secondly, to study the attitude of women entrepreneurs towards various

support agencies. For the study, a selected of 75 women entrepreneurs was selected using statistical random sampling technique. After comprehensive study, researcher found that there was a lack of information and knowledge regarding schemes of assistance launched by the government of India through various support agencies including those exclusively for women entrepreneurs.

In 1959, **D.R. Gadgil** studied the historical aspects of the growth of entrepreneur in the 18<sup>th</sup> century. He gave details of social communities linked with trade and handicraft industry in various areas in India.

**Rani (1986)**, in her study 'Potential Women Entrepreneurs' found that the desire to do something independently was the prime motivating factor to start business activity amongst the sample respondents. The women in her sample reiterated their capability to take independent decisions and told that the thought of entering into entrepreneurial areas was their own and were not influenced by others.

**Brush and Hisrich (1988)** in their work pertaining to the impact of the strategic

origin of women on the growth of their enterprises reveal that a woman entrepreneur who has previous experience in the field stands a better chance of successfully establishing her venture than the woman who does not possess such experience. Financial skills are of key importance to business survival.

### **Problems and challenges faced by women entrepreneurs**

Many problems faced by women entrepreneurs related to finance or competition and these are given here below on the basis of literature review:

**1) Finance:** It is considered as a key issue to women. Accessing credit, particularly for starting an enterprise, is one of the major constraints faced by women entrepreneurs. Women often have more a few opportunities than men to gain access to credit for various reasons, including lack of collateral, involuntariness to accept household assets as collateral. It is very important that women entrepreneurs have adequate knowledge and information of the various financial

institutions which are rendering financial incentives and many other help for the women entrepreneurs in the region.

**2) Training:** Women has limited access to vocational and technical training in South Asia. UNIDO report suggests that women are often unaware of the training opportunities.

**3) Family obligation:** Women's family obligations also restrict them from becoming effective entrepreneurs. Having primary responsibility for children, home and older dependent family members, few women can devote all their time and energies to their business.

**4) Lack of managerial skills:** Another challenge is that women entrepreneurs have low-level management skills. They have to depend on office staffs and intermediaries to get things done related to marketing and sales side of business.

**5) Low mobility:** The confidence to travel over day and night, even different regions and states are less found in women as compared to male entrepreneurs. Though

women faced lots of problems being mobile in entrepreneurial activity, the mobility problem has been solved to certain extent by the expansion of education awareness to all.

**6) Competition:** The competition is another reason which creates problems in the path of women entrepreneurs in the business management process. Women's also face the hard competition from male due to lack of better organisationskills compared to male entrepreneurs.

**7) Lack of modern technical education:** The literacy rate of women in India is found at low as compared to male population. Many women in developing nations are unaware of new technologies and often incapable to do research and gain necessary training.

**8) Not able to take risk:** Low-level risk taking attitude is another factor affecting women entrepreneurs. Investment of money in new business and maintaining the operations of enterprises requires high risk taking attitude.

**9) Absence of entrepreneurial aptitude:**

Many women take the training by attending the Entrepreneurship Development Programmes without entrepreneurial set of mind. As per a study, involvement of women in small scale sector as owners stands at simple 7 per cent.

**10) Lack of knowledge of availability of raw material:**

Knowledge of alternative source of raw materials availability and high negotiation skills are the basic requirement to run a business. 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.

**11) Other problems:** women entrepreneurs faces so many others problems like management of labour, inefficient arrangements for marketing and sales and more importance to family and relationship.

**Initiative taken by government for women entrepreneurs**

In a bid to encourage entrepreneurship and create job opportunities, government is

bringing in several strategies and initiatives. After Silicon Valley, it is India that is counted to have one of the best startup ecosystems. But it is still a long road ahead to bring enough woman entrepreneurs on board. To achieve this, the Indian government recently proclaimed its mission of “**Stand up India for women and also the Dalits**”. It also approved a fund of Rs. 8000-crore which will be given as loans to new ventures. Going by the act, the prime minister said that each of the 1.25-lakh branches of bank across the country should provide loan to at least one woman entrepreneur and a Dalit or Adivasi entrepreneur. It said that a funding will be provided to at least 2.5 lakh women entrepreneurs and the amount ranging from Rs 2.5 lakh to Rs 1 crore.

The union government has also successfully set up **MUDRA Ltd** which is a NBFC (non-banking finance company). This has already provided loans of worth Rs 72000-crore to 1.73 lakh beneficiaries. Their target for this fiscal year stands at **Rs. 1.22 lakh crore**. Also, under the program, banks will provide loans at interests much lower than the market standards.

AnjulyChibDuggal, Financial Services Secretary said that NCGTC (National Credit Guarantee Trustee Company Ltd) will be the trustee for both MUDRA Funds and Stand Up India.

The government has also launched the first website 'Mahile-E-Haat' where women can sell their products. It is an initiative of the women and child development ministry. Women and Child Development Minister Maneka Gandhi said at the launch, "It is generally not possible for women to go to far-off places to sell products made by them. Hence, we decided to help in selling their products which can include anything ranging from clothes to toys to organic products." The website was launched on the eve of International Women's Day. Moreover, there is no fee, commission or hidden charges involved in this. Sellers can simply go to the website and upload their products.

### **Steps Taken By The Government To Promote Women Entrepreneurs**

#### **1.Trade Related Entrepreneurship Assistance and Development (TREAD) scheme for women**

This scheme provides women with proper trade related training, information and counseling along with extension activities related to trades, products, services etc. Along with that, Government Grant also provides up to 30% of the total project cost as appraised by lending institutions which would finance the remaining 70% as loan Assistance to applicant women. It mostly helps poor & usually illiterate/semi-literate women to get started on their business.

#### **2. MahilaVikasNidhi**

This fund has been set up by SIDBI to help women in rural area start their entrepreneurship easily. It grants loan to women are given to start their venture in the field like spinning, weaving, knitting, embroidery products, block printing, handlooms handicrafts, bamboo products etc.

#### **Related Read: Standup Women Entrepreneurs for Startup India**

#### **3. Co-operative Schemes**

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.



#### **4. Government Yojanas**

SwarnaJayanti Gram SwarozgarYojana and SwaranJayantiSekhariRozgarYojana were two important schemes launched by the government to provide reservations for women and encouraging them to start their ventures.

#### **5. Private Organisations**

Several NGOs, voluntary organizations, Self-help groups, institutions and individual enterprises from rural and urban areas are working to help new women entrepreneurs to set up their business and run it smoothly.

**A few training programs started by the Government for self employment of women are:**

- Support for Training and Employment Programme of Women (STEP).
- Development of Women and Children in Rural Areas (DWCRA).
- Small Industry Service Institutes (SISIs)
- State Financial Corporations
- National Small Industries Corporations
- District Industrial Centres (DICs)

#### **Conclusion**

It can be said that today we are in a better position wherein women participation in the field of entrepreneurship is increasing at a considerable rate. Women sector occupies nearly 48% of the Indian population. At this joint, effective steps are needed to provide entrepreneurial awareness, orientation and skill development programs to women. The role of Women entrepreneur in economic development is also being recognized and steps are being taken to promote women entrepreneurship. Though they face many problems and challenges in their path of becoming a successful entrepreneur but the government has taken many initiatives for the growth of women entrepreneurs.

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