

Problems and Prospects of Women Entrepreneurship in India

B. Parimala Devi*

*Asst. Professor, Department of Commerce,
K. V. R Government College, Kurnool, Andhra Pradesh, India

Abstract: *Entrepreneurship is a rapidly rising concern of a modern competitive economy and its contribution in economy is viably recognized worldwide. But the point to ponder is the fact that it is generally perceived as a male-gendered concept in India. And the women who start up their businesses have to face some teething problems. Women Entrepreneurship is considered to be an effective instrument for the economic empowerment of the women. Women in India remained economically undeveloped for many decades. In the recent past only the concept of Women Entrepreneurship is gaining momentum. Despite number of measures and incentives taken by the government of India the women entrepreneurs are not increasing at a greater rate. This is due to some practical problems in the process of entrepreneurship by women. This paper attempts to analyze and highlight various Problems and Prospects of Women Entrepreneurship in India.*

Keywords: Entrepreneurship, Women, Business, problems, prospects.

1. Introduction

The educated women do not want to limit their lives in the four walls of the house. They demand equal respect from their partners. However, Indian women have to go a long way to achieve equal rights and position because traditions are deep rooted in Indian society where the sociological set up has been a male dominated one. Women are considered as weaker sex and always made to depend on men folk in their family and outside, throughout their life. The Indian culture made them only subordinates and executors of the decisions made by other male members, in the basic family structure. Despite all the social hurdles, India is brimming with the success stories of women. They stand tall from the rest of the crowd and are applauded for their achievements in their respective field. The transformation of social fabric of the Indian society, in terms of increased educational status of women and varied aspirations for better living, necessitated a change in the life style of Indian women. She has competed with man and successfully stood up with him in every walk of life and business is no exception for this. These women leaders are assertive, persuasive and willing to take risks. They managed to survive and succeed in this cut throat competition with their hard work, diligence and perseverance. Ability to learn quickly from her abilities, her persuasiveness, open style of problem solving, willingness to take risks and chances, ability to motivate people, knowing how to win and lose gracefully are the strengths of the Indian women entrepreneurs.

2. Objectives of the Study

The following are the objectives of the present study:

- To know the status of women entrepreneurs in India.
- To know various problems encountered by women entrepreneurs in India.
- To know the future prospects for the development of women entrepreneurs in India.

- To know various steps to develop women entrepreneurship in India.
- To know various government schemes for the development of women entrepreneurs.

3. Methodology

The present study is based only on secondary data. The data were collected from books, journals, website and annual reports.

4. Concept of Women Entrepreneurs

Women Entrepreneurs may be defined as the women or a group of women who initiate, organize and operate a business enterprise. The 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 entrepreneurs engaged in business due to push and pull factors which encourage women to have an independent occupation and stands on their own 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 something new. Such a situation is described as pull factors. While the push factors for women engaged in business activities are family compulsion and the responsibility.

5. Women Entrepreneurship in India

It is estimated that presently women entrepreneurs comprise about 10% of the total entrepreneurs in India. The term “Women Entrepreneurship” means, an act of business owner -ship and business creation that empowers women economically, increases their economic strength as

well as position in society. Hence women-entrepreneurs have been making a considerable impact in all most all the segments of the economy which is more than 25 percent of all kinds of business .In India “Entrepreneurship” is very limited amongst women especially in the formal sector, which is less than 5 percent of all the business. Indian women business owners are changing the face of businesses of today, both literally and figuratively. The dynamic growth and expansion of women-owned businesses is one of the defining trends of the past decade, and all indications are that it will continue unabated. For more than a decade, the number of women-owned businesses has grown at one-and-a-half to two times the rate of all businesses. Even more important, the expansion in revenues and employment has far exceeded the growth in numbers.

Table 1: Status of women entrepreneurship in India

States	No of Units Registered	No. of Women Entrepreneurs	Percentage
TamilNadu	9618	2930	30.36
UttarPradesh	7980	3180	39.84
Kerala	5487	2135	38.91
Punjab	4791	1618	33.77
Maharashtra	4339	1394	32.12
Gujarat	3872	1538	39.72
Karnataka	3822	1026	26.84
Madhya Pradesh	2967	842	28.38
Other States & UTs	14576	4185	28.71
Total	57,452	18,848	32.82

Source – CMIE Report 2013

6. Problems of Women Entrepreneurs

6.1 Gender Inequality

India is a male dominated traditional society where women are not supposed to be equal to men folk. They are treated as subordinate to husbands and men, physically weak and lesser confident to be able to shoulder the responsibility of entrepreneur.

6.2 Lack of Education

Women in India are lagging far behind in the field of education. Most of the women (around sixty per cent of total women) are illiterate. Those who are educated are provided either less or inadequate education than their male counterpart partly due to early marriage, partly due to son's higher education and partly due to poverty. Due to lack of proper education, women entrepreneurs remain in dark about the development of new technology, new methods of production, marketing and other governmental support which will encourage them to flourish.

6.3 Problem of Finance

Women entrepreneurs suffer a lot in raising and meeting the financial needs of the business. Bankers, creditors and financial institutions are not coming forward to provide financial assistance to women borrowers on the ground of their less creditworthiness and more chances of failure.

6.4 Skepticism of Financial Institution

Financial Institutions and bankers are skeptical about the entrepreneurial abilities of women. These institutions consider women loanies as higher risk than men.

6.5 Obsolescence of technology & resulting increase in cost of production

Women entrepreneurs face technology obsolescence due to non-adoption or slow adoption to changing technology which is a major factor of high cost of production.

6.6 Low risk-bearing capacity

Women in India are by nature weak, shy and mild. They cannot bear the amount of risk which is essential for running an enterprise. Lack of education, training and financial support from outsiders also reduce their ability to bear the risk involved in an enterprises.

6.7 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 programs on entrepreneurship they fail to tide over the risks and troubles that may come up in an organizational working.

6.8 Limited managerial ability

Women entrepreneurs are not efficient in managerial functions like planning, organizing, controlling, coordinating, motivating etc. of an enterprise. Therefore, less and limited managerial ability of women has become a problem for them to run the enterprise successfully.

6.9 Legal formalities

Fulfilling the legal formalities required for running an enterprise becomes an uphill task on the part of an 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.

6.10 Lack of self confidence

Women entrepreneurs because of their inherent nature, lack self-confidence which is essentially a motivating factor in running an enterprise successfully. They have to strive hard to strike a balance between managing a family and managing an enterprise.

7. Future Prospects for the Development of Women Entrepreneurs

Throughout the world, it is observed that the ratio of Women entrepreneurs is increasing 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 entrepreneurs in economic development is inevitable because women are entering not only in selected fields but also in fields 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 the 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' Global Economy.

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 Development Corporation has to gain access to open-ended financing.

8. How to Develop Women Entrepreneurs?

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

- Considering women as specific target group for all developmental programmers.
- Better educational facilities and schemes should be extended to women folk from government part.
- Adequate training programmed on management skills to be provided to women community.
- Encourage women's participation in decision-making.
- Vocational training to be extended to women community that enables them to understand the production process and production management.
- Skill development to be done in women's polytechnics and industrial training institutes. Training on professional competence and leadership skill to be extended to women entrepreneurs.
- Training and counseling on a large scale of existing women entrepreneurs to remove psychological causes like lack of self-confidence and fear of success.
- Counseling through the aid of committed NGOs, psychologists, managerial experts and technical personnel should be provided to existing and emerging women entrepreneurs.
- Continuous monitoring and improvement of training programmers.
- Activities in which women are trained should focus on their marketability and profitability.
- Making provision of marketing and sales assistance from government part.

9. Steps taken by the Government

Women, being almost 50% population of India, have a pivotal role to play as far as economic development of country is concerned. The Government has increased the importance of women by adopting various schemes and programs for the development of women entrepreneurship. At present, the Government of India has over 27 schemes for women empowerment 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'
- NABARD- KFW-SEWA Bank project

10. Suggestions

- Awareness programmes regarding the entrepreneurship should be conducted in order to educate the women.
- Healthy business environment should be promoted for the development of women entrepreneurship.
- There should be proper platform where problems encountered by women entrepreneurs can be addressed.
- Women should be encouraged to take the benefits of policy measures introduced by the Government to promote the status and level of women entrepreneurs in the country
- Women entrepreneurs should get support and encouragement from family, society, Government and financial institutions.

11. Concluding Remarks

Women are an important human resource of the nation and every state should try to utilize them as mediators of economic growth and development. Encouragement for women entrepreneurship is one of the ways for that. But unfortunately it is seen that the traditional mind set of the society and negligence of the state and respective authorities are important obstacles in the women entrepreneurship development in India. Therefore, there is need of continuous attempt to inspire, encourage, motivate women entrepreneurs.

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