

Women Entrepreneurs in India Problems, Challenges and Govt. initiatives

Mr. Vishal M. Deshpande¹ and Dr. Talwar Sabanna²

Research Scholar¹ and Professor, Department of Studies in Economics²
Rani Channamma University, Belagavi, Karnataka, India

I. INTRODUCTION

The word entrepreneur is derived from the French word “entrepreneur” 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. Entrepreneurship amongst women is a fairly recent phenomenon. Women play a vital role in reducing poverty through productive work that they are involved in outside their home. Women’s contribution in micro, small and medium enterprises is growing so that developmental goals and aims to lessen poverty, to improve family health and empower women’s economic status can be accomplished. Women Entrepreneurship deals with both the condition of women and role of entrepreneurship in the society. Therefore, it can be said women are considered as the better half of the society.

1.1 Present situation of Women Entrepreneurs in India

The word entrepreneur is derived from the French word “entrepreneur” 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. Entrepreneurship amongst women is a fairly recent phenomenon.

Women Entrepreneurship plays a crucial role in Industrial development. Women Entrepreneurs also have many functions to perform as performed by male entrepreneurs. They should discover the visions of opening new enterprise, undertake risks, introduction of new inventions, manage administration and control of business and provide active leadership in all aspects of business. Women entrepreneurs are influenced by both push and pull factors. Pull factors comprise of aspirations for autonomy and independence, personal satisfaction and achievement, or search for a challenge, challenging/rejecting gender stereotypes, gap in the market, etc. Push factors comprise of dissatisfaction with the labour market, need for greater income, unemployment, desire for a better life or higher earnings, financial incentive and motivation from government/schemes for assistance, attraction of high profit margins, etc.

Women play a vital role in reducing poverty through productive work that they are involved in outside their home. Women’s contribution in micro, small and medium enterprises is growing so that developmental goals and aims to lessen poverty, to improve family health and empower women’s economic status can be accomplished. Women Entrepreneurship deals with both the condition of women and role of entrepreneurship in the society. Therefore, it can be said women are considered as the better half of the society. In the traditional societies they were restrained to the four walls of the houses carrying out only household activities. But the situation has changed now. In the modern society, they have arisen out of the four walls to contribute in all kinds of activities. The Indian women are no more treated as beautiful showpieces. They are taking pleasure and relishing the fruit of globalization by making an impact on the domestic and international domains.

II. PROBLEMS AND CHALLENGES

Though, in practice, the same entrepreneurial process is followed for both men and women but there are many problems and challenges which are being faced by women entrepreneurs in India. These problems and challenges are:-

- **Male Dominated Society:** - The utmost constraint to women entrepreneurs is that they are women. A male dominant social order is the biggest hurdle to them in their way towards business success. Male members consider it to be a big risk funding the ventures run by women.
- **Distrust in the Entrepreneurial abilities of Women:** - The financial institutions do not trust the entrepreneurial abilities of women. The bankers put impracticable and absurd securities to get loan to women entrepreneurs. According to the 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 biased attitudes of banks and informal lending groups.
- **Inadequate Financial Resources and Working Capital:** - Entrepreneurs generally need financial assistance of some kind to take-off their ventures- be it a formal bank loan or money from a savings account. The women entrepreneurs are suffering from inadequate financial resources and working capital. They do not have access to external funds due to their incapability to provide tangible security. Very few women have tangible property in hand.
- **Family Obligations:** - Women’s family obligations also restrict them from becoming effective 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.” The financial institutions dishearten women entrepreneurs on the belief that they can at any time leave their business and become housewives again. The consequence is that they are compelled to depend on their own savings, and loan from relatives and family friends.
- **More Importance to Family Ties and Relationship:** - Indian women give more importance to family ties and relationships. Married women have to make a reasonable equilibrium between business and home. Moreover, the success of a business depends on the support of the family members to married women who are engaged in the business process and management.
- **Lack of Managerial Skills:** - Another dispute is that women entrepreneurs have low-level management skills. They have to rest on office staffs and intermediaries, to get things done, especially, the marketing and sales side of business.
- **Hard Competition between male and female:** - The male-female competition is another reason which develops hurdles in the path of women entrepreneurs in the business management process. In spite of the fact that women entrepreneurs are good in keeping their services prompt and delivery in time, due to lack of organizational skills compared to male entrepreneurs women have to face constraints from competition.
- **Low Mobility:** - The confidence to travel across day and night and even different regions and states are less found in women as compared to male entrepreneurs. This shows the low level of freedom of expression and freedom of mobility of women entrepreneurs
- **Lack of Knowledge of Availability of Raw-materials:** - Information of different sources of raw-materials availability and high negotiation skills are the basic prerequisites to run a business. Receiving the raw materials from different sources with discount prices is the factor that defines 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 entrepreneurs’ business adventures.
- **Lack of Education:** - Knowledge of modern technological changes, know how, and education level of the person are the major factors 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 required to build up successful entrepreneurship. They are unaware of new technologies or inexperienced in their use, and often incapable to do research and gain necessary training.

- **Inability to take risks:** - Low-level risk taking attitude is another factor affecting women entrepreneurs. Investing money, maintaining the operations and ploughing back money from surplus generation requires high risk taking attitude, courage and confidence.
- **Managing Employees:** - Managing employees is another challenge that women entrepreneurs in India face. Finding and retaining good employees is vital for the success of a business, but can be problematic for women entrepreneurs in India. Since women owned businesses tend to be smaller, they are often less likely to provide job security and retain good talent.
- **Inefficient arrangements for Marketing and Sales:** - For marketing their products, women entrepreneurs are frequently at the mercy of the middlemen who pocket the chunk of profit. Further, women entrepreneurs find it tough to capture the market and make their products popular. This problem is all the more serious in the case of food production and processing ventures.

III. GOVERNMENT INITIATIVES FOR WOMEN ENTREPRENEURS IN INDIA

The government of India and the various state governments have come up with policies and programmes to assist women entrepreneurs and help in solving the above stated challenges and problems which they face. A brief account of these policies and programmes are given below.

1. **Policy Initiatives:** Government of India is committed to develop MSMEs in general and women entrepreneurship in particular. In a broad manner the government has implemented the MSME Development Act 2006 which has already come into effect. There is a provision to reserve items exclusively for the MSMEs. At present 20 items are reserved for these sectors. However depending on the factors such as economies of scale, level of employment, prevention of concentration of economic power etc. there are possibilities of de-reservation also. The govt. has also launched National Manufacturing Competitiveness Programme (NMCP) to encourage competitiveness in this sector. Women entrepreneurship has been benefiting from these policy initiatives.
2. **Role of the Ministry of MSME:** The Ministry of MSME is primarily set up to assist various states and Union Territories in the effort to promote growth and development of MSME in general. The two specific schemes to assist the women entrepreneur (a) The Scheme of Trade Related Entrepreneurship Assistant and Development TREAD and (b) Mahila Coir Yojana. TREAD is linked with NGOs wherein the Govt. provide the grant up to 30% of the total project cost and also provide separate grant for research and development. Mahila Coir Yojana is a self-employment programme for women aimed to provide training and ratts for carrying out spinning activities in a subsidized manner.
3. **Entrepreneurship Development Programme (EDP):** The Government also announce from time to time Entrepreneurship Development Programme (EDP) especially for the first generation of women who desire to be entrepreneur. For the purpose of training and skill development there are three important institutions namely National Institute of MSME, Hyderabad, National Institute of Entrepreneurship and Small Business Development (NISESBUD, Noida and Indian Institute of Entrepreneurship (IIE), Guwahati and NISC, Delhi. All the institutions taken to gather had trained more than 20,000 women during the 2011-2012.
4. **Prime Minister's Employment Generation Programme (PMEGP)** launched in 2008-09 also gives special attention to urban and rural women by providing them subsidy at the rate of 25 to 35 per cent of the project cost in urban and rural areas respectively. Bank finance in the form of loan is 95% of the project cost for women.
5. **The Ministry of Women and Child Development of Government of India** does play an important role for all round development of women and provides support to women to empower themselves. It has launched the National Mission for Empowerment of Women (NMEW) in March, 2010. The mission has the network of various State Mission Authority (SMAs) at state level. Besides that there are two important schemes of the ministry which can act as complement to the process of development of women entrepreneurship. These schemes are named as Rajiv Gandhi Scheme for Empowerment of Adolescent Girls-Sabla and Support to Training and Employment Programme (STEP) for women. 'Sabla' was launched in 2010 with one of the objectives to provide vocational training to girls aged 16 and above under National Skill Development Programme. 'STEP' has been operational since 1986-87 with the objective to ensure sustainable employment and income generation for marginalised and asset less women across the country.

IV. CONCLUSION

It can be concluded that Micro, Small and Medium Enterprises are contributing to the economic growth and development of Indian economy. Women Entrepreneurs who were traditionally kept behind the four walls of their houses, now in modern society are capable of managing both their family and business. 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. Finally, it can be said that there is a long way to go for women entrepreneurs and MSMEs in India and their success is the success of Indian economy.