

WOMEN ENTREPRENEURSHIP IN INDIA: CRITICAL AND CHALLENGING FACTORS FOR DEVELOPMENT

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ABSTRACT

This paper focuses on understanding of the critical factors impacting on women's enterprise; the particular problems they face and challenges in developing their businesses. In addition to those problems faced by all small-scale entrepreneurs, it is commonly asserted that women frequently face the problems in the socio-economic environment in which they operate.. Political and economic transformations seem to be acquiring everywhere—as countries convert from command to demand economies, dictatorships move toward democracy, and monarchies build new civil institutions. These changes have created economic opportunities for women who wish to set up and operate their own businesses. The knowledge about woman in global scene and especially in India, also the paper explains about the status of woman entrepreneurs and the problems faced by them when they start and manage their own businesses in the competitive world of business environment.

Keywords: Women entrepreneurs, Women empowerment, Economic growth.

INTRODUCTION

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 woman. The involvement of women in various entrepreneurial activities has empowered them in social, economic and political fields. The decisions taking power has increased for women in India, within as well as outside the family. Yet, women entrepreneurship development varies across rural and urban areas. Today, women entrepreneurs represent a group who have broken away from the beaten track and are exploring new avenues of economic participation. Among the reasons for women to run organized enterprises are their skill and knowledge, their talents, abilities and creativity in business and a compelling desire of wanting to do something positive. It is high time that countries should rise to the challenge and create more support systems for encouraging more entrepreneurship amongst women.

Women entrepreneur's explore the prospects of starting a new enterprise; undertake risks, introduction of new innovations, coordinate administration and control of business and providing effective leadership in all aspects of business and have proved their footage in the male dominated business arena. Women discover new sources of supply of materials and markets and establish new and more effective forms of organization. Entrepreneurs perceive new opportunities and seize them with super normal will power and energy, essential to overcome the resistance that social environment offers.

A woman entrepreneur is one who owns and runs an enterprise, especially a commercial one, which involves high rate of personal financial risk. ILO-Indian study of woman entrepreneurs gave the definition of women enterprise as a small unit where one or more women entrepreneurs have not less than 50 per cent financial holdings. The concept of women entrepreneurship has become a global phenomenon playing a vital role in the business community. In India women have made a comparatively late entry into business scenario mainly due to the orthodox and traditional socio-cultural environment. Although women face various problems in the process of establishing, developing and running their enterprise, nevertheless, their scope of development is very high in India, especially in rural areas with more women making development-oriented program viz. Development of Women and Children in Rural Areas, (DWCRA) launched in and being implemented in 1982-83. An attempt is made to analyze the success of such a scheme in terms of its survival, growth and development of women entrepreneurs and identify the problems faced by the women entrepreneurs.

WOMAN ENTREPRENEURSHIP IN INDIA

In India the women population is around 50 per cent of India Yet, any business activities such as trade, commerce and industry, is still considered a male preserve. Entrepreneurial work has also been a predominantly a man's world in India. This is based on the fact that only seven per cent of the total entrepreneurs in India are women. Indian women are in no way less than men in all walks of life and they can be as good entrepreneurs as men in the country. Therefore, it is essential to exploit the potentials of Indian women. Women's participation in trade, industry and commerce, requiring entrepreneurship, is still poor mainly because of the problems associated with their gender roles. Therefore, promotion of entrepreneurship and economic empowerment of women poses a challenge to the government, funding agencies and non-government organizations. It is important for these people to focus on the limitations faced by the women and to plan supporting systems to enhance the women entrepreneurship in India. Since the 21st century, the status of women in India has been changing as a result to creating industrialization and urbanization and social legislation. Over the years, more and more women are going in for higher education, technical and professional education and their proportion in the workforce has also been increased. With the spread of education and awareness, women have shifted from the kitchen, handicrafts and traditional cottage industries to non-traditional higher levels of activities. The Government has also laid special weight age on the requirement for conducting special entrepreneurial training programs for women to enable them to start their own ventures. Financial institutions and banks have also set up particular cells to help women entrepreneurs. This has rebound the women entrepreneurs on the economic scene in the recent years although many women's entrepreneurship enterprises are still remained a much neglected field. Though, for women there are quite a lot of handicaps to enter into and manage business ownership due to the intensely entrenched conventional state of mind and strict principles of the Indian society

OBJECTIVE OF THE STUDY

- The aim of the study is to investigate the issues and challenges faced by Woman entrepreneurs in global scene, especially in India.
- To understand the recognition of women entrepreneurship during the last decade.
- To review existing literature as it relates to the challenges and opportunities faced by Woman's entrepreneurs in the global scene, Asia and India.

METHODOLOGY

This study is purely based on conceptual studies. The information gathered here is secondary data through magazine and journals, books and other publication. Also information is collected through website.

WOMEN EMPOWERMENT AND GLOBAL ECONOMY

The growing economic power and influence of women-owned businesses are changing the shape of the global economy, 'remarked Sakiko Fukuda-Parr, director of the UN Development Program's Human Development Report. The global impact of women entrepreneurs is just beginning to gain intensity. Worldwide, the number of female business owners continues to Women Entrepreneurs in the Global Economy increase steadily. They are significantly affecting the global economy:

- Research about human capital factors in women's entrepreneurship is more than 35 years old. (Greene Amy, 2009).
- Women in advanced market economies own more than 25% of all businesses.
- In Russia-women own 64% of firms employing 10 people or more.
- In Germany-women have created one-third of the new businesses since 1990 representing more than one million jobs. There are a total of 1.03 million women-owned businesses in Germany. Women-owned and managed businesses having annual turnover of at least Euro 16 620 number 522 000, represent 18% of the total in this group, and provide jobs for 2 million employees. Their turnover is in total € 232 billion, app. 6% of the overall turnover or 11% of the turnover gained by owner managed firms (Kayetal., 2003).
- In France-women head one in four firms.
- In Swaziland-Women account for about 70% of micro, small, and medium Enterprises.
- In Sweden-Women start 28% of genuinely new firms and employ on average 0.6 full time employees compared 1.7 for men. (ITPS, 2002).
- In UK-There are approximately 1, 013, 000 self-employed women (7.6% of women in employment) and 2, 706, 000 self-employed men (17.4% of men in employment) in the UK. Survey evidence indicates that businesses that are wholly or majority female-owned account for between 12.3%-16.5% of the UK business stock. A large proportion of female entrepreneurial

activity takes place in businesses that are co-owned equally by men and women. If the definition of women's enterprise included co-owned businesses (an approach often used by US researchers), it is estimated that between 34.1%-41.2% of the UK small business stock is either owned or co-owned by women. (Carter et. al, 2006)

- In Romania-between 2000-06 women represented approximately 35.4% of all entrepreneurs (Noya Antonella, 2006).
- In Ireland-In terms of female entrepreneurship, current estimates suggest that around 15%-18% of established entrepreneurs are women.
- In the Czech Republic-Support for women entrepreneurs in the Czech Republic has become apparent in recent years. The SME support programmes open to both genders, from the Ministry of Industry and Trade made 2, 584 grants to women entrepreneurs, i.e. 17.1 % of the total grants awarded. This represented financial aid of 9 million Euros to Czech business women, i.e. 5.7% of the total financial support available. Women entrepreneurs also owned 11% of the Limited companies which obtained grants (Women Entrepreneurs, 2001).
- In Hungary-women started more than 40% of all businesses since 1990.
- In Poland-women own 38% of all businesses.
- In Turkey-Men account for 73% of the formal labor force and women for 26%. Women are less likely to work in the private sector (16%) and even less likely to be business owners in businesses with employees (3.4%). More than 50% of women in employment are unpaid family workers; most are in the agricultural sector. As a vocation for women in Turkey, entrepreneurship has been held back by factors such as a patriarchal society, traditional gender roles, lack of education and lack of experience in the labor force. (Small and medium-sized, 2004).
- In Europe and Newly Independent States Transition Economies-women are 25% of the business owners.
- In USA-women own 38% of all businesses (8 million firms), employ 27.5 million people (or 1 in 5 workers), and generate \$3.6 trillion in annual sales.

- In Canada-There are more than 821 000 women entrepreneurs and they contributing to an excess of CAD18 109 billion to the economy annually. Between 1981 and 2001, the number of women entrepreneurs increased 208%, compared with a 38% increase for men. Average annual sales for women owned firms are significantly lower. In 2000, women-owned SMEs averaged CAD 311 289 in sales, compared with 654 294 in sales for firms owned by men (Sarmite and Bulte, 2003).

THE CRITICAL FACTORS FACED BY INDIAN WOMEN ENTREPRENEURS MOTIVATIONAL FACTORS

Self motivation can be realized through a mind set for a successful business, attitude to take up risk and behavior towards the business society by shouldering the social responsibilities. Other factors are family support, Government policies, financial assistance from public and private institutions and also the environment suitable for women to establish business units.

AWARENESS ABOUT THE FINANCIAL ASSISTANCE

Various institutions in the financial sector extend their maximum support in the form of incentives, loans, schemes etc. Even then every woman entrepreneur may not be aware of all the assistance provided by the institutions. So the sincere efforts taken towards women entrepreneurs may not reach the entrepreneurs in rural and backward areas.

KNOWLEDGE IN BUSINESS ADMINISTRATION

Women must be educated and trained constantly to acquire the skills and knowledge in all the functional areas of business management. This can facilitate women to excel in decision making process and develop a good business network.

IDENTIFYING THE AVAILABLE RESOURCES

Women are hesitant to find out the access to cater their needs in the financial and marketing areas. In spite of the mushrooming growth of associations, institutions, and the schemes from the government side, women are not enterprising and dynamic to optimize the resources in the form of reserves, assets mankind or business volunteers.

LACK OF CONFIDENCE

In general, women lack confidence in their strength and competence. The family members and the society are reluctant to stand beside their entrepreneurial growth. To a certain extent, this situation is

changing among Indian women and yet to face a tremendous change to increase the rate of growth in entrepreneurship.

MARKET-ORIENTED RISKS

Stiff competition in the market and lack of mobility of women make the dependence of women Entrepreneurs on middleman indispensable. Many business women find it difficult to capture the market and make their products popular. They are not fully aware of the changing market conditions and hence can effectively utilize the services of media and internet. According to the Indus Entrepreneurs (TIE) report:

- 78% women from poorer families in India are keen to become entrepreneurs.
- A mere 15 per cent of women hold senior management positions in privately held businesses in India; the global average is 25 per cent.
- Some of the key areas where women want to start a business include garment shops, catering and beauty salons.

Generally, the Steps that the women entrepreneurs in India has:

- Earlier there were 3 Ks
 1. Kitchen.
 2. Kids.
 3. Knitting.
- Then came 3 Ps
 1. Powder.
 2. Pappad.
 3. Pickles.
- At present there are 4 Es
 1. Electricity.
 2. Electronics.
 3. Energy.

4. Engineering (Srivastava Madhuri, 2008).

SUCCESSFUL LEADING BUSINESS WOMEN IN INDIA

1. **Akhila Srinivasan**, Managing Director, Shriram Investments Ltd.
2. **Chanda Kocchar**, Executive Director, ICICI Bank
3. **Ekta Kapoor**, Creative Director, Balaji Telefilms.
4. **Jyoit Naik**, President, Lijjat Papad.
5. **Kiran Mazumdar-Shaw**, Chairman and Managing Director, Biocon.
6. **Lalita D Gupte**, Joint Managing Director, ICICI Bank.
7. **Naina Lal Kidwai**, Deputy CEO, HSBC.
8. **Preetha Reddy**, Managing Director, Apollo Hospitals.
9. **Priya Paul**, Chairman, Apeejay Park Hotels.
10. **Rajshree Pathy**, Chairman; Rajshree Sugars and Chemicals Ltd.
11. **Ranjana Kumar**, Chairman, NABARD.
12. **Ravina Raj Kohli**, Media personality and ex-President, STAR News.
13. **Renuka Ramnath**, CEO, ICICI Ventures.
14. **Ritu Kumar**, Fashion Designer.
15. **Ritu Nanda**, CEO, Escolife.

WOMEN ENTREPRENEURS AND THEIR PROBLEMS

There are some umpteen problems faced by women at various stages beginning from their initial commencement of enterprise, in running their enterprise. Their various problems are as follows:

AVAILABILITY OF SOURCES OF FINANCE

For every business undertaking Finance is said to be the 'life blood', whether it is large, medium or small enterprise. Women entrepreneurs face the problems of shortage of finance on two important bases. Firstly, women do not in general have property on their own names to use that as collateral securities for obtaining loans/ funds from banks and other financial institutions. Thus their access to

external sources is very limited .Secondly, obtaining the support of bankers, managing the working capital, lack of credit resources are the problems which still remain in the male's domain.

INSUFFICIENT RAW-MATERIALS

Women entrepreneurs encounter the problems of shortage of raw-materials and necessary inputs. On the pinnacle of this, is the high prices of raw materials, on one hand and getting raw materials at minimum discount rates are the other.

HIGH RISK OF COMPETITION

Lot of the women entrepreneurs have imperfect organizational set up to drive in a lot of money for canvassing and advertisements. They have to face severe competition from organized Industries. They have also to face a stiff competition with the men entrepreneurs who easily involve in the promotion and development area and carry out easy marketing of their products with both the organized sector and their male counterparts. Such a competition ultimately results in the insolvency.

LACK OF EDUCATION AND PREVALENT LEVELS OF ILLITERACY AMONGST WOMEN

In India, around (40%) of women are still illiterate. Illiteracy is the root cause of socioeconomic barriers or hurdles. Due to lack of Knowledge of latest technological change, know-how and education creates problems before women to set up competitive enterprises.

FAMILY PROBLEMS

Women also countenance the conflict of performing of home role as they are not available to spend enough time with their families. Because in India, mainly a woman's duty is to look after her children and manage the other members of the family. In business they have to spend long hours and as a result, they find it difficult to meet the demands of their family members and society as well. Their incapability to attend to domestic work, time for education of children, personal hobbies, and entertainment adds to their conflicts.

MARKETING PROBLEMS

Women entrepreneurs incessantly face the problems in marketing their products. It is one of the core problems as this area is mainly dominated by males and even women with adequate experience fail to make a dent. For marketing the products women entrepreneurs have to be at the mercy of middlemen who pocket the hunk of profit. Although the middlemen exploit the women entrepreneurs, the purging of

middlemen is tricky, because it involves a lot of running about. Women entrepreneurs also find it difficult to capture the market and make their products popular.

LACK OF SELF-CONFIDENCE AND OPTIMISTIC ATTITUDE AMONGST WOMEN

Nowadays most of the women are suffering from one major problem of lack of self-confidence, determination, physically powerful outlook, hopefulness etc. They are always panic from committing mistakes while doing their piece of work, more over there is limited initiative of taking risk and bearing uncertainty in them. Thus all these psychological factors often obstruct their path of achieving success in the area of enterprise.

HIGH COST OF PRODUCTION

High cost of production undermines the efficiency and adversely affects the development of women entrepreneurs. The installation of new machinery during expansion of the productive capacity and like similar factor dissuades the women entrepreneur from venturing in to new area.

PROVISION FOR DEVELOPMENT OF WOMEN ENTREPRENEURS IN INDIA

1. Establishment of proper training institutes for enhancing their level of work-knowledge, skills, risk-taking abilities, enhancing their capabilities. Training Centers should provide training to prospective women entrepreneurs free of cost and Entrepreneurship Development Programme should be much more practical oriented. Inculcation of self-confidence amongst women that they can also run a business should be one of the prime motives of these programmes. Potential women entrepreneurs should be exposed to different types of emerging opportunities. Housewives should be motivated to learn additional income.
2. Counseling through the aid of committed NGOs, psychologists, managerial experts and technical personnel should be provided to existing and emerging women entrepreneurs.
3. Establishment of proper training institutes for enhancing their level of work-knowledge, skills, risk-taking abilities, enhancing their capabilities.
4. To encourage more passive women entrepreneurs the Women training programme should be organized.
5. State finance corporations and financing institutions should permit by statute to extend purely trade related finance to women entrepreneurs.

6. The financial institutions should provide more working capital assistance both for small scale venture and large scale ventures local level.
7. Provision should be made to provide land/ sheds to deserving women entrepreneurs on priority basis. Group Women Entrepreneurship (GWE) may be promoted in rural sector by reinvigorating activities/ skills on traditional crafts or practices with which they are acquainted.
8. A Women Entrepreneur's Guidance Cell should be set up to handle the various problem of women entrepreneurs all over the state.
9. Repeated gender sensitization programmes should be held to train financiers to treat women with dignity and respect as persons in their own right.
10. Involvement of Non Governmental Organizations in women entrepreneurial training programmes

CONCLUSION

Women entrepreneurs face lots of problems at the beginning as well as operating stage like, non availability of finance, lack of sufficient freedom and to perform dual role one at home and other at work. Technological advancement and information technology have reduced the problem of women entrepreneurs. Along with technological revolution, mental revolution of society is needed to change the attitude of the society and provide women with democratic and entrepreneurial platform.

After independence, women entrepreneur has equal opportunity in all spheres to the Indian women and laws guaranteeing for their equal rights of participation in political process and equal opportunities and rights in education and employment were enacted. But unfortunately, the Government sponsored development activities have benefited only a small section of women. The large majority of them are still unaffected by change and development activities have benefited only a small section of women i.e. the urban middle class. The large majority of them are still unaffected by change and development. The reasons are well sighted in the discussion part of this article. It is hoped that the suggestions forwarded in the article will help the entrepreneurs in particular and policy-planners in general to look into this problem and develop better schemes, developmental programmes and opportunities to the women folk to enter into more entrepreneurial ventures.

Along with many problems women are running their business successfully. They are ready to face any challenges that may be either economic or any other factors. Women entrepreneurs are putting

their step equally with other entrepreneurs. And even government is supporting them to face the challenges.

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