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Women Entrepreneurship in India-Challenges and Prospects

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Abstract

In modern societies educated women play a vital role in economic development. In the country very few per cent of women are self-employed and few engage in entrepreneurial activities. Most of the women lack entrepreneurial skills for doing business. Moreover, a male-dominated society may not give equal opportunity in business activity. The women resources should rightly be tapped and properly trained to undertake entrepreneurship, economic and development activity. The Government has been giving more training and skill development programmes for both educated and uneducated women. Entrepreneur training programmes help women to involve in economic and entrepreneurship activities. For any country skills are important for the development of a business. The study aims to analyze the various issues related to women entrepreneurs, programmes and policy implementation by the government to support of women entrepreneurship.

Keywords: *Entrepreneurship Development, Problems, Challenges, Programmes*

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Introduction

Entrepreneurship is a typical global phenomenon attracting millions of economists, politicians, and social workers. In developed countries, entrepreneurship has gained attention in the last century. But in developing countries, it has gained original consideration only in recent decades. In these countries, entrepreneurship development is considered the way to promote self-employment. The panacea is not only for chronic unemployment among the educated youth but also to sustain economic development and augment, the competitiveness of industries in the eve of globalization and liberalization. Social scientists and economists are in search of this factor as a competent agency for the coherent integration of resources to stimulate sustainable and balanced socio-economic development. In the industrial and agricultural sectors, the threshold of new generation entrepreneurs has been welcomed for they carry out radical and tremendous changes in the arena of production and distribution. In the academic scenario, special importance is given to the entrepreneurial lessons as a part of the curriculum plan and several research studies are conducted to learn the stimulants and inhibitors of entrepreneurship development.

Women Entrepreneurship in India

Women Entrepreneurship Development is an essential part of human resource development. The development of women's entrepreneurship is very low in India, especially in rural areas. Women have become aware of their existence, their rights and their work situation. However, women of the middle class are not too eager to alter their roles in fear of social backlash. The progress is visible among upper-class families in urban cities. The Indian economy has been witnessing a drastic change since the mid of 1991, with new policies of economic liberalization, globalization and privatization initiated by the Indian government. In this dynamic world, women entrepreneurs play a vital role in the global quest for sustained economic development and social progress. Women have a unique position in society. Real development cannot take place if it by passes women, who not only represent one half of a country's population but also the kernels around which societal revolution takes place. Entrepreneurship enhances the financial independence and self-esteem of women. Around 50 per cent of India's population is women, yet business spheres such as trade, commerce and industry are still considered a male preserve. Entrepreneurial work has also been predominantly a man's world in India. Indian women are in no way

inferior to men in any walk of life and they can be as good entrepreneurs as men. Therefore, it is essential to utilize the potential of Indian women (Rajesh Kumar Shastri, 2010).

Women in India enter into business mainly for two types of factors i.e., pull and push factor. The pull factor refers to the process in which women are encouraged to start an occupation or venture with an urge to do something independently. Push factor refers to the process in which women are compelled to take up their businesses to tackle their economic difficulties. In India, most of the women now show their preferences towards entrepreneurship rather than going into the fields of professional or other services. Women choose both the traditional (toy making, pickle making, candle making, etc.) as well as the non-traditional (running garment shops, beauty-parlours, computer centres, etc.) activities and they perform well. Generally, women opt for micro-enterprises because of certain unavoidable factors and issues like limited capacity, low level of confidence, little access to technical information, poor local market conditions, less access to capital, etc.

Current Scenario 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. 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 Entrepreneurship in India symbolizes a group of women who have been discovering new opportunities for 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 a new enterprise, undertake risks, the introduction of new inventions, manage administration and control of the business and provide active leadership in all aspects of a business. Women entrepreneurs are influenced by both push and pull factors. Pull factors comprise aspirations for autonomy and independence, personal satisfaction and achievement, or search for a challenge, challenging/rejecting gender stereotypes, the

gap in the market, etc. (Nehadangi 2014) Push factors comprise dissatisfaction with the labour market, need for greater income, unemployment, desire for better life or higher earnings, financial incentive and motivation from government schemes for assistance, the attraction of high-profit margins, etc.

Women play a vital role in reducing poverty through productive work that they are involved in their homes. Women's contribution in micro, small and medium enterprises is growing so that developmental goals and aims to less poverty, improve family health and empower women's economic status can be accomplished. Women Entrepreneurship deals with both the condition of women and the role of entrepreneurship in society. Therefore, it can be said that women are considered the better half of 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 modern society, they have arisen out of the four walls to contribute to 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.

Women Entrepreneurship in India: Problems and Challenges

Though in practice, the same entrepreneurial process is followed for both men and women 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 a 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. 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 a 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 aged 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 savings, and loans 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 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

staff and intermediaries, to get things done, especially, the marketing and sales side of the business.

Hard Competition between males and females: The male-female competition is another reason which develops hurdles in the path of women entrepreneurs in the business management process. Even though women entrepreneurs are good at keeping their services prompt and delivered in time, due to a lack of organizational skills compared to male entrepreneurs women have to face constraints from the competition.

Low Mobility: - The confidence to travel across day and night and even different regions and states is less found in women than 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 the availability of the raw materials and low-level negotiation and bargaining skills are the factors, which affect women entrepreneur's business adventures.

Lack of Education: Knowledge of modern technological changes, know-how, and

education level of the person are the major factors that estimate business. The literacy rate of women in India is found at a low level compared to the 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 a high risk-taking attitude, courage and confidence.

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.

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 have

been facing. A brief account of these policies and programmes is given below.

Policy Initiatives: The government of India is committed to developing MSMEs in general and women entrepreneurship in particular. Largely, 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 government has also launched National Manufacturing Competitiveness Programme (NMCP) to encourage competitiveness in this sector. Women entrepreneurship has been benefiting from these policy initiatives.

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 the growth and development of MSME in general. The two specific schemes to assist the women entrepreneur are (a) The Scheme of Trade-Related Entrepreneurship Assistant and Development TREAD and (b) Mahila Coir Yojana. TREAD has been linked with NGOs wherein the Govt. provides the grant up to 30% of the total project cost and also provides a separate grant

for research and development. Mahila Coir Yojana is a self-employment programme for women which aimed to provide training for carrying out spinning activities in a subsidized manner.

Entrepreneurship Development

Programme (EDP): The Government also announces from time to time the Entrepreneurship Development Programme (EDP), especially for the first generation of women who desire to be an entrepreneur. For training and skill development, there are four 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 together had trained more than 20,000 women during the year 2015-2016.

Prime Minister's Employment Generation

Programme (PMEGP) launched in 2008-09 also gives special attention to urban and rural women by providing them subsidies at the rate of 25 to 35 per cent of the project cost. Bank finance in the form of loans is 95% of the project cost for women.

The Ministry of Women and Child Development Government of India

does play an important role in the all-around development of women and provides support to women to empower themselves. It launched

the National Mission for Empowerment of Women (NMEW) in March 2010. The mission has a network of various State Mission Authorities (SMAs) at the state level. Besides, there are two important schemes of the ministry which can act as a 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 intending to ensure sustainable employment and income generation for marginalized and asset fewer women across the country.

Suggestions

- * The training to the members on various fields to be provided at one centre.
- *The Government should have to tie up with the promotional agencies like DIC and MSME and should implement various Projects.
- *The NGOs in the local area should organize entrepreneurial development programmes for their effectiveness and up-gradation.
- *The central and state government should provide adequate finance through the NABARD and commercial Bank to facilitate young women entrepreneurs to create industries
- *Effective SHG Entrepreneurship show provides training to the aspirations SHG Entrepreneur.

*SHG training centres to be created at the State level to support the aspiration of entrepreneurship in the respective taluk.

*The state Government should identify the resource available in the respective district accordingly to the promotional activities for making entrepreneurship programme to be conducted.

*MSME should collaborate to promote the micro and small industries into at least medium scale industries.

Conclusion

It could be concluded that women play a key role in economic development. Women entrepreneurs who are entering into business face personal life difficulties and challenges in their business life. The government has organized and implemented Entrepreneur Development Programmes (EDP) to attract women participation in entrepreneurship. The government and NGOs give many skills development programmes for the benefit of first-generation entrepreneurs. The study emphasizes role of government in the provision of inward and outward training programmes to help women entrepreneurs to overcome their business challenges.

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