

Women Entrepreneurship in India: Problems and Challenges

Shilpa Thakral
Extension Lecturer
Department of Commerce
Govt.P.G.College, Sec-9, Gurugram, Haryana, India.

ABSTRACT

Entrepreneurship is an emerging concept which plays an important role in the economic development of any country. It helps in attaining economic growth. In India, traditionally, the women were responsible only for performing all household works. But due to enhancement in the level of technical education, industrialization and the need of earning money, women are entering into the working environment. Many factors have encouraged them to become entrepreneur like desire of personal improvement, recognition, self-esteem and need of financial stability etc. Government organizations, non-government organizations, self-help groups, and financial institutions are also emphasizing on the promotion of women entrepreneurs. Factors such as male domination, inadequacy of finance and raw material, balancing family with business, Family ties and lack of proper education and training etc. generate the problems in the growth of women entrepreneurs. This paper explains the problems and prospects of women entrepreneurs.

Keywords: women, entrepreneur, society, India, business.

INTRODUCTION

In modern societies, Women are known as the better half of the society because they walk on the shoulders with the men and participate in all sorts of activities. But in traditional societies, they were not allowed to cross the four walls of houses. The silence change is seen in the 1970s when women left the home and enter the workplace. Women have owned businesses for many decades, but they were not given credit for their contributions. Generally, women entrepreneurs were "invisible" as they worked with their husbands as a silent supporter, and many only become visible when their husbands died. But in recent years, the visibility and number of women who start their own businesses has been increased. According to U.S. Department of Labor statistics, female participation in the workforce was less than 40 percent in 1960 but was reached 62 percent in the year 2015. Now, Women have started plunging into industries and running their businesses successfully. As women enter the workforce, they gain experience, and management skills, both are necessary to become successful entrepreneurs. Entrepreneurship is often seen as best way to fulfill the competing demands of career and family. Finally, the difference in the salaries and wages that women earn as compared to men has played an important role in motivating some women to decide to establish their own businesses.

ENTREPRENEUR

The word "Entrepreneur" is derived from the French word "Entreprendre" which means "to undertake" and meant to represent an organizer of certain musical or other entertainments. The Oxford Dictionary English defines the term "Entrepreneur" as the director or a manager of public musical institution, one who gets-up entertainment arranged, especially musical performance. Initially in the early 16th century, it was used for the persons who were engaged in military expeditions. In 17th century, it was applied to civil engineering activities such as construction of roads, bridges and buildings etc. Cantillon (1959) was probably the first person to use the term entrepreneur for the individuals engaged in production of goods for the markets. Knight (1965) described entrepreneur as a specialized group of persons who bear risk /uncertainty. Jean-Baptise described entrepreneur as Coordinator, organizer and supervisor. Joseph A. Schumpeter (1934) assigned a crucial role of "innovator" to the entrepreneur in his "Magnum Opus Theory of Economic Development".

In short, Entrepreneur is a person who explores new opportunities, starts venture in dark and deep area of uncertainty and unites all means of production to make profits.

WOMEN ENTREPRENEUR

Women entrepreneurs are those women, who have an idea of starting business, initiate it, arrange the resources, operate the enterprise and undertake the risk involved in operating the business. Government of India defined women entrepreneurship as “an enterprise owned and controlled by a woman who has minimum 51% of the capital and gave at least 51% of the employment to women in the enterprise” (Khanka, 1999).

OBJECTIVES OF THE RESEARCH PAPER

1. To know the present scenario of women entrepreneurship in India.
2. To identify the problems and challenges faced by women entrepreneurs in India.

PRESENT SCENARIO OF WOMEN ENTREPRENEURSHIP IN INDIA

Our society is a male dominated society. Women are not treated as equal members as men. In fact, they are included in weaker section of the society and treated as dependent on men. Women are also less likely to grow their business or discontinue their businesses due to unprofitability or lack of finance. According to MasterCard Index of Women Entrepreneurs (MIWE)'s report, the Indian women business owners, leaders or professionals exhibit less inclination towards business ownership due to cultural bias. It provides 52th rank to India among 57 countries studied. India's low ranking in the index suggests that the underlying conditions for women entrepreneurship in the country are less favorable as compared to the countries with high index score.

Giving her views on India's position in the MasterCard Index report of Women Entrepreneurs, Manasi Narasimhan, Vice President, Marketing and Communications, MasterCard, said, “Learning from top ranked countries in the Index such as the United States and China, India needs to cultivate an environment where women have higher participation in the workforce and access to post-secondary education & financial services.”

PROBLEMS AND CHALLENGES FACED BY WOMEN ENTREPRENEURS

The problems and challenges experienced by women entrepreneurs put restrictions on the expansion of women entrepreneurship. Business News Daily asked female CEOs about the key challenges that a woman entrepreneur faces. The major problems and challenges encountered by women entrepreneurs are as below:-

1. MALE DOMINATED SOCIETY

A woman is dominated by men in her family as well as in business. Often she has to obtain prior approval from men for almost everything. They are not treated as equal members. Her freedom is restricted. She always has to consult and get approval of men before taking any decision regarding her business. Most women CEOs find themselves in a male dominated workplace that does not want to accept their leadership role. **Alison Gutterman**, CEO and president of her family's business “Jelmar”, had this experience early in her career that "As a female entrepreneur in a male-dominated industry, earning respect has been a struggle".

2. LIMITED FINANCE

A Babson College report found that less than 3 percent of venture-capital-funded companies had female CEOs. This report shows that finance is the basic problem faced by all women entrepreneurs. The majority of women entrepreneurs have to depend upon self-generated finance for starting their businesses. Before marriage they have to depend upon their fathers and after marriage they have to follow the footsteps of their husbands. As such, women do not have any property in their names and they have limited access over external sources of funds, even getting loans either from banks or financial institutions become

exceedingly difficult for them. The availability of bank credit increases once business becomes well established or a good relationship with the bank has been developed.

3. SCARCITY OF RAW MATERIAL

Most of the women entrepreneurs face the problem of scarcity of raw material and other necessary inputs. Either they get raw material at very high prices or get minimum discount while purchasing. The failure of Women enterprise in 1971 engaged in the business of basket making is an example how the scarcity of raw material can become a cause of failure of enterprise run by women.

4. STIFF COMPETITION

Women entrepreneurs do not have more funds to advertise their products at a large scale. Thus, they have to face tough competition for marketing their products. Such a competition results in the closure of women enterprises.

5. BALANCING BUSINESS AND FAMILY LIFE

Due to primary responsibilities towards her family, her time gets divided between the two worlds. So, it is very difficult for women entrepreneurs to manage their business along with family. While working in the corporate world, women have to make a lot of choices which she doesn't want to make. If she doesn't get support from family, she cannot handle the business properly.

6. LIMITED MOBILITY

Women mobility is very limited because she also has responsibility of her family which restricts her timings for work due to which she is not in a position to travel frequently and be away from home for longer periods. This also has an implication on her business.

7. FAMILY TIES

In India, a married women's main duty is to look after her children and other family members. Her total involvement in family works leaves little energy and little time to start a business. On the other hand, in the case of an unmarried girl, a lot of restrictions are made by the parents like do not go out of the house and go to your in laws and do whatever you want to do etc.

8. LOW RISK BEARING ABILITY

This is so because from the childhood, her parents take decisions for her and after marriage her husband takes decisions for her. She is protected throughout her life. This reduces her ability to bear risk involved in running the business.

9. LACK OF EDUCATION OR TRAINING

In our society, more importance is given to male child as compared to female child. This mindset results in lack of education and necessary training for the women. As a result of this, the progress of women stops and it handicaps them in the world of work.

10. LACK OF CONFIDENCE

As women are accepting a subordinate status from many years, as a result they do not have confidence in their own capabilities. Even at home, family members do not have much faith in their abilities of decision-making. They are struggling to be taken seriously. Shilonda Downing, founder of Virtual Work Team, advises women to recognize the value of their own creative ideas.

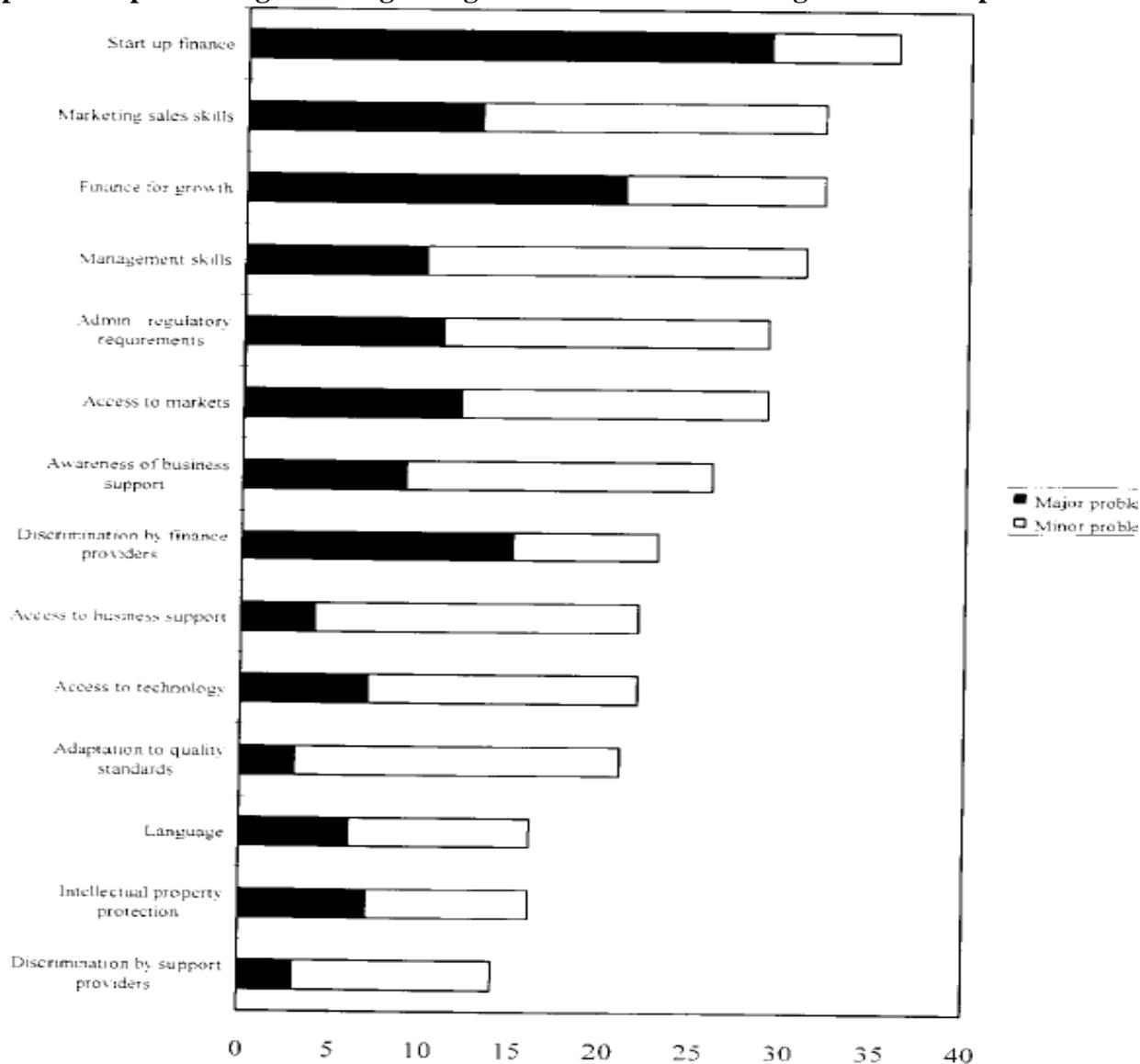
11. ADMINISTRATIVE AND REGULATORY BARRIERS

Administrative and regulatory barriers were judged to be major issues faced by women entrepreneurs. Micro enterprises of all types experience problems in meeting administrative and regulatory requirements because the disproportionate effect of compliance costs on small companies is very high as compared with large firms. As a consequence, almost half the support organizations specialized in supporting female entrepreneurs identified a problem for their clients (women enterprises) in this respect.

12. FEAR OF FAILURE

Failure is a real possibility in any business venture. The road to success is not so easy to walk on. It is paved with losses and mistakes. These losses and mistakes prevent a woman from moving ahead. She is afraid of what people will say if she fails. This fear stops her to start a new venture. **Kristi Piehl**, founder and CEO of Media Minefield, advises women not to let their insecurities keep them away from dreaming big.

Perceptions of specialist agencies regarding the main Problems facing women entrepreneurs



umber of Respondent

Source: CEEDR, Middlesex University, Final Report

Source: www.rroij.com/articles-images/IJIRSET-2057-g002.gif

CONCLUSION

As one cannot imagine his family without women, the economic development of the country cannot be imagined without the contribution of women. Financial, psychological, family and educational problems are creating hindrances in the growth of women. Government needs to cultivate an environment where women have higher participation in the workforce and access to post-secondary education & financial services. By

giving the proper education, training and support from family, government and financial institutions, we can encourage the involvement of women in the field of entrepreneurship.

References:

- [1] Gupta C.B. and Khanka S.S. 1996: Entrepreneurship and Small Business Management, Sultan Chand & Sons, Delhi.
- [2] <http://www.rroj.com/articles-images/IJIRSET-2057-g002.gif>
- [3] https://newsroom.mastercard.com/wp-content/uploads/2018/03/MIWE_2018_Final_Report.pdf Page no. 40
- [4] Khanka S.S.1998: Women Entrepreneurship in India, Journal of Assam University, Volume III, Number I, January 1998: 8-13.
- [5] U.S. Department of Labor. Fullerton Jr., Howard N. "Labor Force Participation: 75 Years of Change, 1950—98 and 1998—2025." *Monthly Labor Review*.
- [6] Vijayakumar A. Jayachitra, S. 2013, Women Entrepreneurs in India – Emerging Issues and Challenges, International Journal of Development Research, Vol. 3, Issue – 04: 12- 17.

