

# AN OVER VIEW OF CHALLENGES AND PROSPECTS OF WOMEN ENTREPRENEURS

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**ABSTRACT-**Women are an emerging economic force that policymakers cannot afford to ignore. The educated 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. Despite all the social hurdles, Indian women stand tall from the rest of the crowd and are applauded for their achievements in their respective field. There is however a number of constraints to women owned businesses that need to be addressed. It is important for women entrepreneurs to join hands with mainstream employers' organizations so that these obstacles, challenges and problems can be turned into legitimate policies. There is a great need for women entrepreneurs to be recognized for their contribution in impacting the economy. The present paper endeavors to study the concept of women entrepreneurs—challenges faced by women entrepreneurs in India- suggestions and prospects for development of women entrepreneurship in India.

**KEYWORDS:** Entrepreneurship, Entrepreneurial problems, Women entrepreneur, Challenges and Prospects of women Entrepreneurship.

## I. INTRODUCTION

Entrepreneurship has gained greater significance at global level under changing economic scenario. Global economy in general and Indian economy in particular is poised for accelerated growth driven by entrepreneurship. Accordingly, during the last two decades, increasing numbers of Indian women have entered the field of entrepreneurship and also they are gradually changing the face of business of today, both literally and figuratively. The emergence of women on the economic scene as entrepreneurs is a significant development in the emancipation of women and securing them a place in the society, which they have all along deserved. The hidden entrepreneurial potentials of women have gradually been changing with the growing sensitivity to the role and economic status in the society. Women are increasingly becoming conscious of their existence, their rights and their work situations. Development of entrepreneurship among women is a major step to increase women participation in the process of economic development. It will speed up economic growth, and provide employment opportunities for women resulting in improving the economic independence. Government of India has defined enterprise owned by women entrepreneur as "an enterprise owned and controlled by women having a minimum financial interest of 51% of the capital and giving at least 51% of the employment generated in the enterprise to women". Thus it is concluded that women entrepreneurs are those women who initiate, organize and run business enterprise and provide

employment to others. The Indian Economic Outlook Report 2011-12 indicates a GDP growth rate of 8.2% and women entrepreneurs in India have good reason to exploit this opportunity. While a survey by Women's Web Women & Entrepreneurship in India 2012 shows a significant rise in female entrepreneurship in the country.

## II. LITERATURE REVIEW

Das, 2000 performed a study on women entrepreneurs of SMEs in two states of India, viz, Tamilnadu and Kerala where he concluded that the initial problems faced by women entrepreneurs are quite similar to those faced by women in western countries. In a study Verheul and Thurik, 2001 concluded that women not only contribute to employment creation and economic growth through their increasing numbers, but they also make a contribution to the diversity of entrepreneurship in the economic process. Singh, 2008 identifies the reasons & influencing factors behind entry of women in entrepreneurship. He explained the characteristics of their businesses in Indian context and also obstacles & challenges. He mentioned the obstacles in the growth of women entrepreneurship are mainly lack of interaction with successful entrepreneurs, social un-acceptance as women entrepreneurs, family responsibility, gender discrimination, missing network, low priority given by bankers to provide loan to women entrepreneurs.

Lall & Sahai, (2008) conducted a comparative assessment of multi-dimensional issues & challenges of women entrepreneurship, & family business. The study identified Psychographic variables like, degree of commitment,

entrepreneurial challenges & future plan for expansion, based on demographic variables.

### III. CHALLENGES BEFORE WOMEN ENTREPRENEURS

#### a. Lack of education and prevalent levels of illiteracy amongst women

Knowledge of latest technological changes, know how, and education level of the person are significant factors that affect business. In India, around 3/5th (60%) of women are still illiterate. Illiteracy is the root cause of socio-economic barriers or hurdles. The literacy rate of women in India is found at low level compared to male population. Many women in developing nations lack the education needed to spur successful entrepreneurship. They are ignorant of new technologies or unskilled in their use, and often unable to do research and gain the necessary training. Although great advances are being made in technology, lack of education, structural difficulties, and lack of access to technical training prevent the technology from being beneficial or even available to women. This has led to women being unaware of latest technology, new methods of production and marketing, government support and policies. Thus lack of education creates problems for women to set up competitive enterprises.

#### b. Lack of adequate finance

Accessing credit, particularly for starting an enterprise, is one of the major constraints faced by women entrepreneurs. Access to start-up finance is the greatest single issue faced by women entrepreneurs. Women often have fewer opportunities than men to gain access to credit for various reasons, including lack of collateral, an unwillingness to accept household assets as collateral and negative perceptions of female entrepreneurs by loan officers. Banks, financial institutions generally do not come forward to provide financial assistance to women borrowers on the ground of their less credit worthiness and more chances of business failures. Another key disturbing factor for women entrepreneur is managing the working capital. Working capital is required for maintaining finished stock to meet the market demand, for production and meeting marketing and other administrative expense.

#### c. Lack of access to markets

The ability to tap into new markets requires expertise, knowledge and contacts. Women often lack access to training and experience in how to participate

in the market place and are therefore unable to market goods and services strategically. They find it difficult to procure the required raw materials and other necessary inputs for production in sufficient quantity, during inflation. The high cost of developing new business contacts and relationships in a new country or market is a big deterrent and obstacle for many women-owned businesses.

#### d. Lack of access to networks

Since most women entrepreneurs operate on a small scale, and are generally not members of professional organizations or part of other networks, they often find it difficult to access information. Most existing networks are male dominated and sometimes not particularly welcoming to women but prefer to be exclusive. There are hardly any women-majority networks where a woman could enter, gain confidence and move further. Lack of networks also deprives women of awareness and exposure to good business opportunities.

#### e. Lack of training skills

Women usually experience low levels of self confidence as they engage in business activity because of limited access to vocational and technical training. Investing money, maintaining business operations and ploughing back money for surplus generation requires high risk taking attitude, courage and confidence. They face social pressure from conservative outlook of the society which restrains them to prosper and achieve success in the field of entrepreneurship. Lack of infrastructure, delayed decisions and unplanned growth are also hindrances that prevent them from making an impact in the society.

### IV. SUGGESTIONS FOR THE DEVELOPMENT OF WOMEN ENTREPRENEURSHIP

- The elimination of obstacles for women entrepreneurship requires a major change in traditional attitudes and mindsets of people in society. Hence, it is imperative to design programs that will address the attitudinal changes, training and supportive services. Some suggestions that can be incorporated to see development of women entrepreneurship in India are:
- Attempts should be made to enhance the standards of education of women in general, as well as making effective provisions for their training, practical experience and personality development programs.
- Attempts must be made by various NGO's and government organizations to spread information about policies, plans and strategies on the development of women in the field of industry, trade and commerce.

- Efforts should be made in the direction of simplification of the procedures, formalities, rules and regulations required to be fulfilled by the women entrepreneurs in seeking assistance, subsidies, concessions, relief etc, from different departments and governments sponsored organization involved in providing a variety of services to women entrepreneurs.
  - Educational institutes should tie up with various government and non-government agencies to assist in entrepreneurship development mainly to plan business projects that can be run by women.
- Efforts should be made to run self help groups for women entrepreneurs to mobilize resources in order to help the women from the field of industry, trade and commerce.
- Adequate skill development tests should be done in women's polytechnics and industrial training institutes.
- There is a need to establish all India Forums to discuss the problems, grievances, issues, pertaining to women entrepreneurship.
- Attempts should be made to establish training institutes for enhancing the level of knowledge, skills, and risk-taking abilities of women entrepreneurs.
- Various opportunities should be provided for women entrepreneurs to attend various International, National, Local trade fairs, Industrial exhibitions, Seminars and Conferences as this can facilitate interaction with other women entrepreneurs.
- Attempts should be made to generate awareness and consciousness about policies relating to self-development of women entrepreneurs in the society.
- Women in business should be offered soft loans & subsidies so as to encourage them to take up different ventures .The financial institutions should provide more working capital assistance both for small scale venture and large scale ventures

### CONCLUSIONS

The emergence of women entrepreneurs and their contribution to the national economy is quite visible in India. The number of women entrepreneurs has grown over a period of time, especially in the 1990s. It can be said that today we are in a better position wherein the participation of women in the field of entrepreneurship is increasing at a considerable rate. Efforts are being taken at the economy as well as global level to enhance woman's involvement in the enterprise sector.

While women entrepreneurs have demonstrated their potential, the fact remains that they are capable of contributing much more than what they already are. In order to harness their potential and for their continued growth and development, it is necessary to formulate appropriate strategies for stimulating, supporting and sustaining their efforts in this direction.

The local government and banks should forge ahead for providing financial help to women entrepreneurs without setting unrealistic conditions. Women owned enterprises should get easy access to conventional bank loans, private loans: from micro loans to venture capital, including social funds, family funds, start-up and expansion funds and insurance. There is a major challenge for policy makers in India to accelerate the process of development and establishment and growth of women-owned business.

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