



Women Entrepreneurship in India: Prospects & Challenges

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ABSTRACT

In the present-day world, where the competition increases in every field, women try to keep pace with their male counterparts. They are trying to establish their identity to make themselves financially independent and support the family. In this process, they are trying to upgrade themselves with all sorts of education required to sustain themselves in the field chosen. Women entrepreneurs in India can be observed engaged in various avenues – from big shots to small-scale enterprises. These women are engaged in such acidity for several reasons, ranging from their choice, hobby, and most importantly, need. However, while doing so, few women entrepreneurs encounter severe challenges during their business activities. The paper focuses on major factors affecting Indian women's participation in the business, three critical challenges: lack of finance, lack of raw materials, and lack of education, which is the prime Challenge among the women from the low entrepreneurial activities. Also, it suggests some of the measures to overcome these challenges.

Keywords: Entrepreneurship, financial constraints, low education, Businesses, unavailability of raw materials.

INTRODUCTION

In a country like India, where still in the remote areas, the gender discrepancy prevails; women are trying level best to establish their identity in society. They are trying to support their families by engaging themselves in small-scale activities. These activities involve bindi making, papad making, cosmetics, and imitation jewelry, etc. Such activities support them financially and also provide them with self-respect in society. However, sometimes, lack of confidence, working capital, and education pulls them behind and forces them to quit the activity.

In today's India, women express themselves in a rainbow of colors. Women are breaking new ground like never before, from soaring choppers on the high seas to driving dangerous roads in taxis. They claim that their entrepreneurial spirit and political ambition can benefit the country and society by breaking new ground. Furthermore, the money provides them with resources. This new assertiveness has not taken away their ability to heal and care for others.

Maira Forbes (2010), the publisher of Forbes Woman, stated, "Women are increasingly important in leadership roles, and we are seeing some of the most extraordinary and exciting global growth coming from female-led companies." Female business leaders and entrepreneurs are changing the face of business in Asia, she said. India is at the forefront of this trend."

There is a reason why women's entrepreneurship should be studied, as they have been recognized as an economic growth source that is still untapped. They generate employment & livelihood for themselves and provide solutions to the various problems occurring in the management. They not only manage, organize the business but also, they foster entrepreneurial opportunities. There has been a market failure in terms of addressing the women entrepreneur successfully. There is still discrimination when it comes to female entrepreneurs, as they still make up a small percentage of all entrepreneurs. Policymakers must address them in order for the women's economic potential to be fully realized. According to reports and studies, the increasing presence of women in the field of business as entrepreneurs has changed the demographics of business and the country's economic growth. They play an active role in society and inspire other female entrepreneurs, which helps foster the country's economic growth and development.

Indian women are more struggled than other countries from getting opportunities to establish themselves in society. Lots of women have to do household work or parenting in her home. Moreover, lots of them are fighting poverty.

However, few women still want to change their lives, and they want some business or job by that they could change their life. However, the economic system of India not helps much them to enlarge their business.

Even some Indian women never could manage sufficient money to start a business to lead a good life with family. No one cannot imagine they never get the opportunity to start a new life. However, somehow this situation will be changing.



LITERATURE REVIEW

Goyal and Parkash (2011), in their paper on “Women Entrepreneurship,” mention that women are becoming self-reliant in the present day. They are trying to get into all the segments of society and establish their mark in the entrepreneurial world by following the success stories of others. Moreover, they try to be independent and support their spouses/ family. The main intention of these entrepreneurs is to generate a sizable portion of the income to earn a better standard of living and social status, and self-identity.

“Women Entrepreneurship Issues, Challenges, and Empowerment through Self-Help Groups: An Overview of Himachal Pradesh,” according to Singh and Raghuvanshi (2012). Self-help groups in India assist rural women in increasing their income and improving their social status. Their article focused on the issues and challenges that women face when starting businesses in India. Ranbir recognized the financial, raw material, and stiff competition that women entrepreneurs face and their limited mobility, family ties, lack of education, and low risk-bearing ability.

“Some Critical Issues of Women Entrepreneurship in Rural India,” according to Kumbhar (2013). Women’s economic participation is growing at a much slower pace than men’s. In today’s era, women participated in business and trade activities, including agriculture, without facing social or personal discrimination. He identified several issues relating to social aspects, economic life, and courage.

In their paper, Dhameja (2002) emphasizes that women who choose to pursue the problematic role of entrepreneur are motivated to fulfill their need for independence and achievement. This definition, however, only applies to opportunity-driven women entrepreneurs, i.e., women who pursue entrepreneurship on their initiative. This definition does not include necessity-driven entrepreneurs who are forced to start a business to meet a basic need.

OBJECTIVE OF THE STUDY

To study the main challenges of women entrepreneurs in India, the main objectives of the present paper are –

- To study the major factors affecting Indian women’s participation in the business.
- To discover the challenges faced by women entrepreneurs with reference finance, raw materials, and education.
- To suggest measures to overcome these Challenges.

RESEARCH METHODOLOGY

Both primary and secondary data were gathered for this research. First, a telephonic interview of women entrepreneurs engaged in different activities was taken. However, this interview was unable to provide insight and guide on the objectives of the study. The secondary data were collected from available sources such as search engines, online study forums, research journals, and magazines (both academic and non-academic). The conclusion from the interviews was drawn to fulfill the objectives of the study.

FACTORS INFLUENCING WOMEN ENTREPRENEURS

Two main factors influence women to become entrepreneurs: “push” and “pull.” Furthermore, they are critical in terms of choice and necessity.

PUSH FACTOR- as the name suggests, some factors make it necessary for women to become entrepreneurs. There can be several reasons in push factors like insufficient family income, dissatisfaction from the current job, and difficulty finding a job as per their required salary and time schedules. In a society of male dominance, and occurrence of the push factor also collectively makes a way in the growth of the women entrepreneur. Women still have to be the caretaker and nurturers for the family. Flexible time schedules in doing business are the factor that helps them take risks in the venture while managing their house duties. Furthermore, a person’s accomplishments and originality are the results of either environmental influences or personal motivation.

PULL FACTORS: Independence, self-fulfillment, entrepreneurial drive and desire for wealth, power and status in society, intense network contact, and family support are the main factors for an entrepreneurial drive. When a strong need for achievement cannot be met in a salaried job, opportunities for converting marketable ideas will become a pull factor to start a new venture.

CHALLENGES FACED BY WOMEN ENTREPRENEURS IN INDIA

Following Challenges are generally observed by Women Entrepreneurs in India-

1. Lack of Finance

Some petite women entrepreneurs face severe financial constraints and also low working capital. Therefore, they need to rely on external sources for establishing their businesses. Women are often left with no assets in their hands, no property, and no



savings. Thus, self-investment becomes difficult for such women entrepreneurs. At the same time, their male counterpart (be it father, husband, or other relatives) feel that it is not worth investing in a business run by women. Therefore, there is a lack of truth by these men. At a similar time, the banking sector is also lacking policies for women. There is a lack of support even from the non-banking financial institutions, such as credit cooperative societies. Though it is mentioned that there are several policies and plans for women to start up their businesses, those plans do not reach the needy.

Society even thought that the women entrepreneur would not continue their businesses for an extended period. Instead, they will leave the venture at any mid-point and again be housewives. These women entrepreneurs are then left with the option of relying only on the informal finance provided by their friends or relatives. However, this hope also has less validity.

2. Lack of Raw Materials

Sometimes even if they are getting raw materials available, the cost of such materials is so high that the profit margin becomes very low. The supply of raw materials is also not sure. It depends on the availability of transport and also on a fixed number of orders. If there is a lack of orders, the raw materials for businesses cannot be procured by the women entrepreneurs. At many times it is also found that these raw materials are not discounted. At other times, it is seen that there is cheating done on the enterprises during the supply of raw materials. Due to lack of knowledge and new commencement of the business, they are cheated by the providers of the raw materials. They sell the raw materials to the new entrepreneurs in the market at a very high cost. Initially, these women entrepreneurs find it manageable as they try to arrange the finance from some soured and procure raw materials, but later on, they are pressurized with heavy loans, which compel them to leave the venture incomplete. Another major problem encountered about raw materials is that the quality of this raw material is not up to the mark, leading to inappropriate and poor-quality finished products. Thus, the consumers hesitate to buy the ready products from such enterprises. This lead to significant losses to the women entrepreneurs.

3. Lack of education

A more severe issue than the two mentioned above is the lack of education and knowledge these women entrepreneurs carry on their ventures. For any business to cultivate, there is a need for technological support and high educational backup. Entrepreneurs also need to be full-fledged and know the market situation, trends, policies, and ideas. They need to be acquainted with the demands of the consumers as well as they need to maintain due relation with the traders. For all this, they need to be educated. In India, the overall literacy rate is low among the female population compared to their male counterparts. Many research studies have found that there is a direct link between education and confidence. Many researchers have also studied that woman entrepreneurs' risk-taking capacity in small ventures directly depends on the education level. Strategic planning cannot be done without proper knowledge of the market condition.

SUGGESTIONS

The following measures are put in place by the Government of India to help the women entrepreneurs –

- **Bharatiya Mahila Bank:** This bank was initially started to provide capital for budding businesswomen to start their ventures. Under this scheme, the women were able to take loans up to Rs. Twenty crores, avail collateral-free loan of up to Rs. 1 Crore, with an interest rate of 10.25%.
- **Annapurna Scheme:** Under this scheme, women entrepreneurs can take loans up to Rs. 50,000 and be paid within three years.
- **Stree Shakti:** This package is somewhat similar to the Entrepreneurship Development Programme (EDP), where a loan of up to Rs. 50 lack are sanctioned.
- **Oriental MahilaVikasYojana Scheme:** This scheme was initiated by the Oriental Bank of Commerce, where a concession of 2% on the rate of interest is offered.
- **Dena Shakti Scheme:** Here, the women entrepreneurs are liable to get a loan up to Rs. Twenty lakhs on education, housing, and retail trading and up to Rs. 50,000 under the category of microcredit.
- **Mudra Yojana Scheme for Women:** This scheme assists women entrepreneurs in India who need to open a day-care center, a beauty salon, or a similar small business with financial assistance.

RECOMMENDATIONS

To solve the challenges mentioned above, the authors recommend the following measures –

1. There need to be special cells that would provide easy finance to women interested in setting up their enterprises. This type of cell should operate from every bank and financial institution. At the same time, it is also suggested that such type of cells should be unbiased towards the entrepreneurial activity and needs to be managed by women themselves. One



most important thing is that such types of cells should provide the finances at a meager interest rate (considering the financial situation of the women entrepreneurs).

2. Secondly, it can be suggested that informal marketing cooperatives can be set up, which would help the women entrepreneurs find their way ahead. All this would eliminate the middlemen and thus would give better prices for the products should be these entrepreneurs.
3. The governmental initiative should be such as to purchase the products from these women entrepreneurs. It is necessary that in the phase of 'women's empowerment, the actual support needs to be coming from the Government itself. Instead of dealing with the big shots and foreign companies, why not pull these aspiring ladies into the mainstream of the business.
4. At the same time, it is the duty of the Government to make the necessary provision to bring in the scarce and costly raw materials and make them available to women entrepreneurs at an affordable rate. Subsidies and other provisions should be managed effectively by the Government.
5. It would serve additional benefit if the Government provided skill development opportunities to the women entrepreneurs. Such a developmental program needs to be designed as per the requirement of the entrepreneurs. Training centers should be arranged.
6. The Government should provide additional facilities such as transportation, meals, and good hygienic crèches.
7. The raw materials should be made available to beginners at concessional rates.

CONCLUSION

Competition and intention of boosting up sales compelled the women entrepreneurs to quote low prices. Women entrepreneurs found it very difficult to manage debts. Most of the transactions were conducted on a credit basis. It was also mentioned by a few of the respondents that the street vendors serve as a great competition to them, and such type of activity should be stopped. The cost of power is a threat to them. If training and development facilities are provided to the women entrepreneurs, raw materials and finance are made accessible reasonably. There is a chance that women entrepreneurs in the nation would establish their mark in the tertiary segment of the economy. This would increase the nation's GDP and improve the people's social standard, particularly in remote and backward areas.

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