

Women Entrepreneurship in Indian Context: A Critical Study of Its Problems and Solutions

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Abstract – Entrepreneurship amongst nationals of a country contributes immensely towards the growth process of a country. Enterprising nature and spirit of entrepreneurship exists in all human beings irrespective of gender. A country's economic growth would be imbalanced without the involvement of women in entrepreneurial activities. Today's entrepreneurship domain is without any gender bias. In India, since 1991, women entrepreneurs are gaining huge importance, and they are being supported and encouraged by family, financial institutions and other stakeholders. Policy makers in India have formulated and implemented policies and schemes that promote the spirit of women entrepreneurship. Several training and development programmes have widened the horizon for economic empowerment of women in India. Besides the government, many other stakeholders need to play an important role in providing skill training, vocational education and in entrepreneurial development of women. Though women contribute only one third of the economic enterprises, a large proportionate of women entrepreneurs have successfully established themselves in social and economic fields in India. Despite the growing pace of women enterprises, the rising unemployment, poverty and disparity in the economic status of women, has led to the growth of women entrepreneurship becoming increasingly challenging. This paper seeks to analyse the issues, problems and challenges encountered by the women entrepreneurs and also suggests measures to overcome them.

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METHODOLOGY

The study has been largely based on secondary data. The collection of data comprises of literature review, impact reports, government reports and an analytical review of literature available online.

INTRODUCTION

“So kyo manda aakhiye, jitt jmme rajan”

Guru Nanak's teachings state that women should not be rebuked, as she gives birth to kings.

In many cultures, worldwide women's role is confined to carrying out home affairs. The past two decades reflects a visible change in the status of women in India. The society is witnessing a paradigm shift in terms of jobs, professions and entrepreneurship taken up by women. With the growing education, globalization, digitalization and urbanization, women are seeking gainful participation in several fields. The economic development of a country is lop-sided without the role of women entrepreneurship. Women entrepreneurs are said to comprise nearly one-third of the total entire worldwide. In India too several good initiatives have been undertaken by the government of India in recognition of the role of women entrepreneurs. It is essential to nurture women entrepreneurs with entrepreneurial traits and skills to

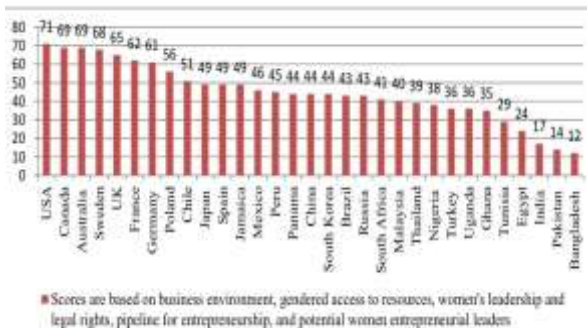
meet the global market challenges and sustain and excel in the entrepreneurial arena.

Report findings state that there is more likelihood of women from low middle income countries to enter early stage of entrepreneurship. A study carried out in 2012, states that nearly 126 million women are engaged in enterprising businesses all over the world. Between 40 to 50 percent businesses are owned by women in developing countries.

As per research paper, of Sucheta Agarwal and Usha Lenka, titled 'Why research needed in women entrepreneurship in India: A viewpoint,' Dell Women's Entrepreneur Network Summit in Berlin, carried out a survey in the year 2015, ranking countries on the basis of certain dimensions. The dimensions considered for the ranking purposes were enterprise environment, gendered access to resources, women's leadership and legal rights, pipeline for entrepreneurship and potential entrepreneurial leaders. The results of this study were depicted in a graph showing rankings according to the scores obtained by different countries, (Figure 1). USA, Canada, Australia, Sweden, UK, France and Germany have been ranked in the top ten nations, in terms of encouraging women entrepreneurship whereas, India followed by Pakistan and Bangladesh have scored the lowest in ranking. In addition the study

also revealed that in India women occupied only 4% of the chief executive positions, 9.5% as board members and 15% in the senior management positions. (Aidis et al., 2015)

Figure 1: Graph plotted on the basis of scores obtained by countries on different dimensions related to women entrepreneurship.



Source (Aidis et al., 2015)

Problems faced by Women Entrepreneurs in India

The women entrepreneurs in India face several society related and institutional based barriers in the way to business progress. For the business women, it is not a bed of roses as they face a series of problems as discussed below:

Stereotype Gender Roles

Entrepreneurship has been largely viewed as a male domain. The gender specific role in running and owning an enterprise vests only in a man, as a woman is considered to be weak, less intelligent and a poor risk taker. It is difficult to surpass the hurdles posed by the conventional views of entrepreneurship being a male dominated field.

Patriarchal Society

The greatest deterrent to women entrepreneurs is that they exist in a male dominant social order, which is a blockade in their way towards business success. Though legal frameworks are provided by the constitution, for the women to be given equal rights, they still face discrimination and a biased treatment and male egos put barriers in their progress. Male members consider it a big risk to finance ventures run by women.

Financial Limitations and Shortages

Primary problem faced by women entrepreneurs is inadequacy of financial funds and insufficient working capital. Women in India have little access to funds, with few opportunities to borrow. Lack of ownership of tangible assets and bank balance makes it difficult for women to obtain credit. The financial institutions are also sceptical about entrepreneurial abilities of women and portray a discriminatory attitude towards them.

The women have to rely on their personal savings and loans from family/friends to run their business.

Competition from Male Counterparts

Entrepreneurial world is male dominated and puts hurdles in the form of stiff competition to the women entrepreneurs in managing the business. The constraints due to low-level freedom of expression and lesser mobility of women make it difficult to compete with their male counterparts. Organized industries also give severe and cut throat competition to small scale businesses run by women.

Low Risk-taking Ability

Women entrepreneurs show less risk taking ability as they fear incurring losses due to poor decision making, lack of experience, shortage of finances, inferiority complex. They do not explore new ideas and are unable to increase the scale of operations at a similar rate as male entrepreneurs. This is largely due to constraints of time and money. Also low-level education results in lack of self-confidence and self-reliance in women and restricts them from risk taking.

Family Obligations

Women are buried under the load of family obligations which restricts their business progress. Their primary duty is towards their home, children and older family members and few women can devote all their time and energies to their business. They constantly struggle for work life balance. As per Indira Nooyi, the CEO of PepsiCo, to overcome these hurdles business women have to rely on co-opt mechanisms. Their biological clock and career clock is in total conflict. They need to seek help and support from family members and friends to discharge their domestic and professional roles.

Lack of Technological Know-how and Advancement

A business is significantly impacted by the, level of education and knowledge of technological changes held by a person running it. In India, the literacy rate of women is far less in comparison to male population. The various studies carried out over the years indicate that women in India are ignorant of new technologies or unskilled in their use. Lack of access to technical training also prevents the women to make use of technology and realise its benefits.

High Cost of Production

High production costs also dissuade women entrepreneurs from entering into new business ventures. High production costs need to be off set with expansion of business operations and increase in business efficiency. Women entrepreneurs shy away to undertake high cost businesses due to

inadequate financial resources and several other constraints.

Lack of Entrepreneurial Aptitude

Most women in India from small towns lack business acumen and bent of mind. The training imparted under the aegis of Entrepreneurship Development programme falls short of honing their entrepreneurial skills and abilities. There is also absence of innovation and risk bearing attitudes which further reduces the ability of women entrepreneurs to cope up with competition.

Marketing Problems

Women entrepreneurs unceasingly face multiple problems in marketing their products. There is the fear of exploitation at the hands of middlemen and agents. They lack negotiating skills due to low level of education and technological knowledge and self confidence. Also the peculiar problems of inconvenience, safety and security measures, when they are required to travel for business purpose are a major hindrance.

Dearth of Credit Facilities

Banks, venture capitalists and other informal lending groups lack understanding of female centric businesses. They often rely on personal profiles and credibility while reviewing loan applications and women entrepreneurs often lack proper records and documents. Very little efforts are being made by financial institutions to design tailored financial products sensitive to the needs of business women.

Suggestions for Problems faced by Women Entrepreneurs

The development of women entrepreneurs and their greater participation in the entrepreneurial activities requires right efforts from all areas. Women entrepreneurs need to be given confidence, independence and mobility to come out of their paradoxes. The following measures are suggested to empower the women to seize various opportunities and face challenges in business.

Family Support

The family needs to adopt a supportive attitude towards its female members and encourage them to undertake entrepreneurial activities. It is of utmost importance that women should be given equal rights to education, to pursue a career or business, to inherit family property and business. The women need to be raised to be bold, to stand their ground and have an opinion of their own.

Change in Attitude

The general perception about a woman entrepreneur needs to change. Business relations – from banks to suppliers and customers need to shed their pre assumptions about a woman entrepreneur being less deserving than her male counterpart. Her role of as a business woman should not be mixed with her conventional role of a woman.

Access to Financial and Other Resources

It needs to be ensured that easy and economical provision of finance and subsidies, infrastructure and technical assistance should be provided on priority basis. Micro finance or crowd funding can be used as a mechanism for providing easy finance to micro and small women entrepreneurs.

Training Facilities

The development of entrepreneurship is primarily possible by the essential role played by training and development programs. Appropriate training modules should be formulated to impart training to the prospective woman entrepreneurs, from a quality approved institution. The curriculum should be designed in a manner to upgrade the practical knowledge, self confidence, decision making abilities and business acumen of the learner. The government should establish mobile training centres, in order to attract more women entrepreneurs.

Marketing Cooperatives

Marketing cooperatives need to be set up to assist the women entrepreneurs to sell their produce for a fair price. The intervention and involvement of the middlemen can thereby be largely reduced. Government should also engage in purchasing its goods and services from women run enterprises, to boost the growth of women entrepreneurs.

Supportive Amenities

Certain supportive nature amenities should be made available to women entrepreneurs. More female relationship managers should be hired in lending institutions. The government needs to build a more conducive environment for business women and provide advisory services to supplement financial services.

Recognition and Appreciation

The achievements of the upcoming and successful women entrepreneurs should be recognised by endowing upon them the awards and certificates of commandment. Various awards should be given appreciating the deserving women entrepreneur. Their work should be promoted and highlighted so

that it becomes an inspiration for other women to follow in their footsteps.

CONCLUSION

Engaging more women in entrepreneurial ventures is one of the major keys to overcome economic challenges. Various laws and equal rights to opportunity, education and employment have improved the plight of Indian women entrepreneurs. A large number of women are coming forth to run businesses big and small. This momentum should be sustained by initiating more adequate policies and development programs. Financial institutions need to proactively engage with women entrepreneurs as clients to bridge funding gaps. An important role can be played by the media to showcase the achievements of successful women entrepreneurs and share the secret of their success with others to be inspired and follow suit. The success stories of women in entrepreneurial arena can go a long way in boosting the image and role of women in the society and as well as in the economy of the nation. The women centric policies and schemes for entrepreneurship growth and development should be taken to the grass root level. Rejuvenating women entrepreneurship in India is the need of the hour and the government should stand committed to this cause.

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