

## Opportunities and Challenges faced by Women Entrepreneurs in India

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**Abstract:** *Pandit Jawaharlal Lal Nehru has remarked "When women move forward, the family moves, the village moves and then ultimately the Nation moves forward." Women are one of the most relevant untapped resources if you talk about entrepreneurship. Female entrepreneurship is gaining attention and importance in light of the evidence of the importance of new business creation for economic growth and development. Entrepreneurship refers to the act of setting up a new business so as to take advantages from new opportunities. Entrepreneurs are responsible for shaping the economy and they help in creation of new wealth and new jobs by inventing new products, process and services. We all understand that economic development of the today's woman is crucial for economic development of any country specially a country like India. The dependency on service sector has created many entrepreneurial opportunities for women that they can utilize to enhance their social standing and reputation. In this paper, an attempt has been made to study the opportunities and challenges related with entrepreneurship that the woman of our country faces in the present times. Much knowledge is not found about the economic relevance of women in entrepreneurship programs and the effect of these programs on society and economy.*

**Keywords:** *Entrepreneurship, woman, economy, economic development, challenges, economic growth, opportunities of women entrepreneurship.*

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### I. Introduction

Women's entrepreneurship needs to be studied separately for two main reasons. The first reason is that women's entrepreneurship has been recognized during the last decade as an important untapped source of economic growth. Women entrepreneurs create new jobs for themselves and others and by being different also provide society with different solutions to management, organization and business problems as well as to the exploitation of entrepreneurial opportunities. However, they still represent a minority of all entrepreneurs. Thus there exists a market failure discriminating against women's possibility to become entrepreneurs and their possibility to become successful entrepreneurs. This market failure needs to be addressed by policy makers so that the economic potential of this group can be fully utilized.

The purpose of the paper to examine the constraints and opportunities facing female entrepreneurship in developing countries at micro- and macro-level perspectives and seeks to provide a detailed account of opportunities and constraints bought by entrepreneurship.

According to **Kamala Singh**, "A women entrepreneur is a confident, innovative and creative woman capable of achieving economic independence individually or in collaboration generates employment opportunities for others through initiating establishing and running an enterprise by keeping pace with her personal, family and social life.

According to **Government of India** "An enterprise owned and controlled by a women having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generated by the enterprise to women."

According to **APJ Abdul Kalam** "Empowering women is a prerequisite for creating a good nation, when women are empowered, society with stability is assured. Empowerment of women is essential as their thoughts and their value systems lead to the development of a good family, good society and ultimately a good nation."

According to the recent reports and studies female entrepreneurship has attracted a lot of attention in recent years in light of concrete evidence that it supports economic growth and development.

### Objectives of the Study

1. To discuss the problems faced by women entrepreneurs in India.
2. To discuss the major factors affecting the development of women entrepreneurship among various countries.
3. To discuss the measures needed to improve the state of women entrepreneurship in India.

### II. Review Of Literature

Bowen & Hisrich, (1986), evaluated many research studies done on women entrepreneurship. It concluded that female entrepreneurs are relatively well educated in general but are not having proper

management skills, high in internal locus of control than other women in their values & are likely to have had entrepreneurial fathers. Cohoon, Wadhwa & Mitchell, (2010), present a detail about men & women entrepreneur's background and experiences. The study is based on the data collected from primary data where surveys were conducted to collect data from established & successful women entrepreneurs. The study identified top factors motivating women to enter into the field of entrepreneurship. The factors found were desire to build the wealth, the wish to capitalize own business ideas and to move ahead in life. The challenges are more related with entrepreneurship rather than gender.

Studies have found that most of the women establish enterprises before the age of 35 after gaining some job experience somewhere. The Women network report on Women in Business & in Decision Making focus on women entrepreneurs, about their problems in starting & running the business, family background, education, size of business unit. Darrene, Harpel and Mayer, (2008) performed a study & established a relationship between human capital and self-employment. The study showed that self-employed women differ on most human capital variable as compared to the salary and wage earning women. The study also revealed the fact that the education attainment level is faster for self employed women than that for other working women.

Singh, 2008, conducted a study to identify the reasons & factors that influence entry of women in entrepreneurship and also explained the obstacles in the growth of women entrepreneurship. The factors identified were lack of interaction with successful entrepreneurs, social un-acceptance as women entrepreneurs, family responsibility, gender discrimination, lack of social networking, low family and financial support.

Tambunan, (2009), made a study on recent changes that have occurred in women entrepreneurs in Asian developing countries. The study focused mainly on women entrepreneurs in small and medium enterprises based on data analysis and review of recent key literature. The study found that women entrepreneurship is gaining overwhelming importance in all sectors. The study also depicted the fact that representation of women entrepreneurs in this region is relatively low due to factors like low level of education, lack of capital and cultural or religious constraints.

### **Problems faced by Women Entrepreneurs in India**

There are some umpteen problems faced by women at various stages beginning from their initial commencement of enterprise, in running their enterprise. Their various problems are as follows:

#### **1. Lack focus on Career Obligations**

Indian women do not focus on their career obligations in the same manner as they do on their family and personal life. Despite having excellent entrepreneurial abilities, they do not focus on their career obligations. Their lack of focus towards their career creates a problem in promoting women entrepreneurship.

#### **2. Economic Instability of women**

The economic stability of Indian women is in a very poor state as they lack proper education that is crucial for becoming self-dependent. Women in rural areas can't take any entrepreneurial.

#### **3. Lack of Risk taking ability**

Our educational system is very primitive and creating awareness about woman's capacities and their hidden powers to handle economic activities. Most of the women are not performing entrepreneurial activities because they are not having the proper capacities and risk making ability.

#### **4. Arrangement of Finance & Raw Material**

Arrangement of finance is a major problem that is faced by women entrepreneurs. Their access to external sources of finance is very limited because of their poor economic condition in the society. As such; they find it difficult to be an entrepreneur as they lack the risk taking ability because of poor financial assistance. Another problem faced by them is shortage of raw-material and difficulty faced by the women entrepreneur in arranging good quality raw material at competitive prices.

#### **5. Cut-throat Competition**

Women entrepreneurs have to face tough competition not only from industry but also from their male counterparts. Surviving this cut-throat competition and achieving the aim of producing quality product at competitive price is not an easy task for the women entrepreneurs.

#### **6. Low levels of literacy amongst women**

Illiteracy is the root cause of socioeconomic biasedness that prevails in the society and that doesn't let women achieve economic independency. Due to lack of Knowledge of latest technology and proper education, it becomes difficult for women to set up their own enterprises.

**7. Problems in getting financial assistance by banks & Financial Institutions**

Banks and financial institutions help finance small and medium size firm operators to get financial assistance. But these banks and financial institutions don't readily provide credit to women entrepreneurs because they doubt the credit worthiness of women entrepreneurs. The irony is that according to a report by the United Nations Industrial Development Organization (UNIDO), woman's loan repayment rates are higher than men's but still financial institutes doubt their loan repayment abilities.

**8. Marketing Problems**

Women entrepreneurs face problems in marketing of their products as this area is mainly dominated by males and women fail to make a mark in this area. Women entrepreneur also find it difficult to capture the market and make their products popular and they often take the help of middlemen in marketing their products who often charge high commission from them.

**9. Less support towards family**

In business women have to devote long hours and as a result, they find it difficult to meet the demands of their family members and society as well. As such they become incapable in attending to domestic work, attending to the needs of their children which lead to conflict in their personal lives and they find it difficult to work as an women entrepreneur.

**10. High cost of production:**

High cost of production adversely affects the development of women entrepreneurs. The high cost of factors of production & the raw material makes it difficult for the women entrepreneur to operate in the industry. Government assistance in the form of grant and subsidies to some extent enables them to tide over the difficult situations. Other than the high cost of production, women entrepreneurs also face the problems of labor, human resources, infrastructure, legal formalities, overload of work, mistrust etc that are associate with every business enterprise.

**11. Lack of self-confidence and self-esteem amongst women: -**

A strong mental outlook and an optimistic attitude amongst women are required amongst women to be an entrepreneur. But it has been noticed that women lack these qualities required in setting up their own enterprises. Thus, not having the required confidence that is needed by today's women to move ahead creates resistance in their being a good entrepreneur.

**Factors affecting the Development of Women Entrepreneurship among various countries**

<b>United States</b>	<ul style="list-style-type: none"> <li>• access to capital</li> <li>• access to information</li> <li>• access to networks</li> </ul>
<b>Korea</b>	<ul style="list-style-type: none"> <li>• financing</li> <li>• the effort to balance work and family</li> </ul>
<b>Vietnam</b>	<ul style="list-style-type: none"> <li>the prevailing social and cultural gender-based inequalities and biases</li> <li>• accessing credit from formal institutions in view of their limited access to formal education, ownership of property, and social mobility</li> <li>• unequal access to opportunities and markets</li> <li>• include business experiences,</li> <li>• limited knowledge of marketing strategies,</li> </ul>
<b>Bangladesh</b>	<ul style="list-style-type: none"> <li>• Inadequate financing</li> <li>• Competition</li> <li>• Obtaining quality raw materials, and</li> <li>• balancing time between the enterprise and the family</li> </ul>
<b>Morocco</b>	<ul style="list-style-type: none"> <li>lack of operational and managerial skills</li> <li>• Cultural constraints</li> <li>• Inefficient production mechanisms</li> <li>• lack of managerial skill</li> </ul>
<b>Kenya</b>	<ul style="list-style-type: none"> <li>• lack of technical skills,</li> <li>• confidence,</li> <li>• strong individual involvement</li> <li>• the willingness to take risks</li> </ul>
<b>Africa</b>	<ul style="list-style-type: none"> <li>• constraints and barriers to obtaining money to start and grow their own business.</li> <li>• Women's inexperience of negotiating with the banks</li> <li>• their lack of financial confidence</li> <li>• access to the essential abilities, skills and experiences for business</li> <li>• their dual (household) and triple (community) roles and responsibilities</li> <li>• lack of key dedicated "time" to be able to explore and nurture their own resources</li> <li>• lack of abilities, skills and expertise in certain business matters.</li> </ul>

	<ul style="list-style-type: none"> <li>• lack of exposure to the world of business</li> </ul>
<b>Mauritius</b>	<ul style="list-style-type: none"> <li>•the hassle of getting permits;</li> <li>• the lack of market;</li> <li>• the ability to raise capital;</li> <li>• not being taken as seriously as men</li> </ul>

### **Insights about Women’s Entrepreneurship Development**

The following are the facts and insights about Women’s Entrepreneurship Development:-

- a. Entrepreneurship can be an effective means to create employment and empower women and promoting women’s entrepreneurship and gender equality helps to empower women in the society.
- b. Women lack confidence in their entrepreneurial abilities as such along with training women entrepreneurs should be provided with strategic partnerships, networking and programs that help in overall entrepreneurship development.
- c. Infrastructure that supports entrepreneurship opportunities should be provided for women’s success.
- d. In all countries women still represent a minority in the area of entrepreneurship, are self- employed, or are small business owner-managers and their full potential has yet not been utilized properly.
- e. Women’s entrepreneurship is not very successful because they face lots of challenges because of lack of education, lack of role models in entrepreneurship, gender issues, weak social and economic status etc.

### **Measures to Improve Women Entrepreneurship**

Women entrepreneurship in India faces many challenges and requires a radical change in attitudes and mindsets of society. Therefore, programs should be designed to address changes in attitude and mindset of the people. Women of the present times should be made aware regarding her unique identity and her contribution towards the economic growth and development of the country. Course Curriculum should be designed in a manner that will impart the basic theoretical knowledge along with its practical implication and help impart skills required to be an entrepreneur.

At the same time, there are various schemes like the World Bank sponsored programmes that can be undertaken for such purposes. Programmes can be conducted in which established and successful women entrepreneurs can advise and warn for the coming women entrepreneurs against the challenges they will face against being entrepreneur to boost the morale and confidence level of the upcoming entrepreneurs. Government should also play an important role by setting up policies and plan that supports entrepreneurship opportunities. Setting up good infrastructure is also required to build entrepreneurship opportunities.

It is not easy to promote women entrepreneurship in India as it requires elimination of various obstacles that includes changing the traditional attitudes and mindsets of people in society towards women. To provide opportunities of women entrepreneurship in India one needs to make aware the women regarding her position towards the value she can add towards economic growth and development of country.

Education can play a crucial role in promoting women entrepreneurship and promotion of women entrepreneurship can be achieved by designing course curriculum that will impart the basic knowledge along with its practical implication regarding setting up of your own enterprise. Vocational training can also help by training, motivating and assisting the upcoming women entrepreneurs in setting up & managing of a new enterprise. Apart from vocational training sessions women can be trained on Information Technology to take the advantage of new technology in running their startups. Education has been instrumental in increasing the participation of women in entrepreneurial activities. Proper education not only helps in acquisition of requires knowledge but also imparts knowledge about the different opportunities available in different sectors. Good education makes women confident in dealing with problems in business in an effective manner.

Also women entrepreneurs who have successfully set up their enterprises can act as advisors for the upcoming women entrepreneurs. The advices taken from these successful entrepreneurs can prove beneficial for the upcoming women entrepreneurs by resulting in better involvement of women entrepreneurs in their enterprises.

### **Some Successful Leading Business Women in India**

- **AkhilaSrinivasan**, Managing Director, Shriram Investments Ltd
- **ChandaKocchar**, Executive Director, ICICI Bank
- **EktaKapoor** ,Creative Director, Balaji Telefilms
- **KiranMazumdar-Shaw**, Chairman and Managing Director, Biocon
- **Ranjana Kumar** ,Chairman, NABARD
- **RenukaRamnath**, CEO, ICICI Ventures
- **Ritu Kumar** ,Fashion Designer
- **ShahnazHussain**, CEO, Shahnaz Herbals

### **Facts & Figures about Women Entrepreneurship**

The results of the survey conducted by IIT, Delhi are:

- 1) Women own one-third of small business in USA and Canada and the number is likely to be 50% in the coming century.
- 2) Women account for 40% of the total work force in Asian countries.
- 3) Women outnumber men by at least two lines in China.
- 4) The percentage of women entrepreneurs has increased from 7.69% in 1992-93 to 10% in year 2000-01, but the number still is significantly low as compared to overall work participation rate i.e. 25.7%.
- 5) The number of women in technical courses, professional courses and in engineering stream has shown a tremendous rise. Polytechnics and IITs have only 15% girls out of total enrolled students and very less join and set their own enterprises.
- 6) Around 8% of women have an interest in starting an enterprise or are giving it serious thought, compared with 13% of men.
- 7) Around one in five women come into self-employment from unemployment compared with around one in fifteen for men.
- 8) Only 2% of men cite family commitments as a reason for becoming self-employed, compared with 21% of women.

### **III. Conclusion**

Women entrepreneurship in India faces many challenges and requires a radical change in attitudes and mindsets of society. Therefore, programs should be designed to address changes in attitude and mindset of the people. It is important to promote entrepreneurship among women to improve the economic situation of the women. This can be made possible with the help of education as education is a powerful tool in bringing out the entrepreneurship qualities in a human being.

Moreover, attempts to motivate inspire and assist women entrepreneurs should be made at all possible levels. Proper training should be given to the women by establishing training institutes that can enhance their level of work-knowledge, risk-taking abilities, enhancing their capabilities. After setting up training institutes, there should be continuous monitoring, improvement of training programs so that they can improve upon the quality of the entrepreneurs being produced in the country. Undoubtedly the women participation rate in the field of entrepreneurship is increasing rapidly. However, efforts need to be taken at larger scale to give the position in the field of entrepreneurship that they deserve. The actions & steps that has been taken by the government sponsored development activities have benefited only a small strata of society and more needs to be done in this area. Effective steps need to be taken to have entrepreneurial awareness and skill development to women.

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