



## An analytical review on women entrepreneurs: Problems and prospects with reference to India

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### Abstract

‘Struggle for the existence and survival for the fittest’ become the order of the day. Entrepreneurship is a rapidly rising concern of a modern competitive economy and its contribution in economy is viably recognized worldwide. It plays a key role in the economic development of the country. Entrepreneurship is not only applies to men but also women. Therefore a ‘Women entrepreneur’ can be defined as “the Women or group of women, who initiate, organize and operate a business enterprise”. Likewise the Government of India (GOI) has defined it as “an enterprise owned and controlled by a woman having a minimum financial interest of 51% of the capital and giving at least 51% of the employment generated in the enterprise to women”. Against all odds, Indian women cope up and emerged as successful entrepreneurs. Against this back drop, an exertion has been initiated to focus a bird’s eye view on the introduction, position of women Entrepreneurs in India, practical problems that are being encountered by them, their prospects and suggestions followed by a logical conclusion.

**Keywords:** women entrepreneurs, problems, prospects, economic development

### Introduction

Basically entrepreneurship is the bedrock for expediting the process of economic development of any country. Since inception of economic reforms from 1991 by the Government of India, the role and growth of the entrepreneurship has been gradually increased to a greater extent. In fact, an entrepreneur is the principal agent, who has the ability to convert an opportunity into a successful position. In this LPG Scenario, women entrepreneurs are an important part of the global sustained economic development and social progress. According to I.L.Os report of 1980, Women constitute 50% of the world’s population, do the two-thirds of world’s work hours, receive 10% of the world’s income and own less than 1% of the total property. However, in this LPG scenario, rapid changes have been occurred in all sectors. Speed of education, coupled with a revolutionary change in the field of information and technology brings a significant change of the status of women in the society.

### Position of Women entrepreneurs in India

In India women account for only 5.2% of the total self employed persons. There were more than 1, 53,260 women

entrepreneurs claiming 9.01% of the total entrepreneurs in India during 1998-99. Decision relating to site selection for establishment of enterprise for women is based on proximity to home. Women entrepreneurs face more difficulties than their male counterparts in the start-up stage of enterprise due to lack of experience of technical training and marketing. Self-assessment by women entrepreneurs displays great differences from the characteristics normally associated with male entrepreneurs such as passive vs. active and private Vs Social. Albeit, quite a good number of reports divulges that they have excelled in Engineering, Electronics and Energy. They have been manufacturing solar cookers in Gujarat, Small Foundries in Maharashtra and T.V. Capacitors in Orissa. They have been recognized during the last decade as an important untapped source of economic growth. According to 2010 statistics, Proportion of female main workers to the total population is 16.65% in rural areas and 9.42% in urban areas. This shows overall less contribution of women in work but more percentage of women workers in rural areas. Thus they have been largely neglected both in society in general and in the social sciences.

**Table 1:** Status of women entrepreneurship in India

S. No	Name of the State	No. of units Registered.	No. of women Entrepreneurs	Percentage (%)
1	Tamil Nadu	9618	2930	30.36
2	Uttar Pradesh	7980	3180	39.84
3	Kerala	5487	2135	38.91
4	Punjab	4791	1618	33.77
5	Maharashtra	4339	1394	32.12
6	Gujarat	3872	1538	39.72
7	Karnataka	3822	1026	26.84
8	Madhya Pradesh	2967	842	28.38
10	Other States and U.Ts	14576	4185	28.71
	Total	57,452	18,848	32.82

Source: CMIE Report, 2013.

### Major Challenges encountered by Women Entrepreneurs

- 1. Lack of self confidence:** Women entrepreneurs because of their inherent nature, lack self-confidence which is essentially a motivating factor in running an enterprise successfully. They have to strive hard to strike a balance between managing a family and managing an enterprise.
- 2. Gender Inequality:** India is a male dominated traditional society where women are not supposed to be equal to men folk. They are treated as subordinate to husbands and men, physically weak and lesser confident to be able to shoulder the responsibility of entrepreneur.
- 3. Lack of Education:** Women in India are lagging far behind in the field of education. Most of the women (around sixty per cent of total women) are illiterate. Those who are educated are provided either less or inadequate education than their male counterpart partly due to early marriage, partly due to son's higher education and partly due to poverty. Due to lack of proper education, women entrepreneurs remain in dark about the development of new technology, new methods of production, marketing and other governmental support which will encourage them to flourish.
- 4. Problem of Finance:** Women entrepreneurs suffer a lot in raising and meeting the financial needs of the business. Bankers, creditors and financial institutions are not coming forward to provide financial assistance to women borrowers on the ground of their less creditworthiness and more chances of failure.
- 5. Skepticism of Financial Institutions:** Financial Institutions and bankers are skeptical about the entrepreneurial abilities of women. These institutions consider women loanies as higher risk than men.
- 6. Obsolescence of technology and increase cost of production:** Women entrepreneurs face technology obsolescence due to non-adoption or slow adoption to changing technology which is a major factor of high cost of production.
- 7. Low risk-bearing capacity:** Women in India are by nature weak, shy and mild. They cannot bear the amount of risk which is essential for running an enterprise. Lack of education, training and financial support from outside also reduce their ability to bear the risk involved in an enterprises.
- 8. Legal formalities:** Fulfilling the legal formalities required for running an enterprise becomes an uphill task on the part of a women entrepreneur because of the prevalence of corrupt practices in government offices and procedural delays for various licenses, electricity, water and shed allotments. In such situations women entrepreneurs find it hard to concentrate on the smooth working of the enterprise.
- 9. Lack of entrepreneurial aptitude:** Lack of entrepreneurial aptitude is a matter of concern for women entrepreneurs. They have no entrepreneurial bent of mind. Even after attending various training programs on entrepreneurship they fail to tide over the risks and troubles that may come up in an organizational working.
- 10. Limited managerial ability:** Women entrepreneurs are not efficient in managerial functions like planning, organizing, controlling, coordinating, motivating etc. of an

enterprise. Therefore, less and limited managerial ability of women has become a problem for them to run the enterprise successfully.

### Prospects of Women Entrepreneurship in India

In this LPG Scenario, there is much prospect for entrepreneurship in India. The country needs to mobilize and utilize fully all its resources including human resources. The participation of women in economic activities is necessary not only from a human resource point of view but also is essential even from the objective of raising the status of women in the society. The economic status of the women is now accepted as an indicator of society's stage of development and therefore it becomes imperative for the government to frame policies for development of entrepreneurship among women. The long-term objectives of the development programmes for women should aim to raise their economic and social status in order to bring them into the mainstream of national life and development. For this, due recognition has to be accorded to the role and contribution of women in the various social, economic, political and cultural activities. The unexplored talents of women should be identified, trained and used for various types of activities to increase the productivity in the industrial sector, thus developing them into entrepreneurs, which is the need of the hour.

### Suggestions and conclusion

Thus by reckoning the vividly delineated discussion as cited supra, we can come to a conclusion that today's women have ventured into manufacturing, trading and service sector from the earlier days where they were limited only to the domestic jobs. The participation of women in the entrepreneurial activity makes them not only self-confident but also self-dependant. Thus, it provides them an opportunity of not only contributing to the economic development of the nation, but also enables them to give a better life to their family. The women make up for almost 50% of the population in India, however, only 10% of the firms in the MSME sector are owned by them. Hence, if supported, the women entrepreneurs can provide a much needed boost to the economy by creating new employment opportunities. The women-owned firms have more than doubled from 1.02 million enterprises in 2001-2002 to 2.66 million in 2005-2006, the percentage of registered firms owned by women increased from 8.32% to 13.72%. However, they face a number of barriers in the quest of achieving their ambition. They face social barriers right in the beginning of the start-up phase followed by the financial barriers. Market and skill related barriers make it more difficult for them to begin their entrepreneurial ventures. Barriers created by their own fears and attitude towards taking decisions for starting the business is another factor for the dismal percentage of women-owned enterprises. However, amidst a lot of difficulties, they have proven their ability to manage not only small businesses but also convert them into highly successful large industries. Biocon Pharmaceuticals is one such example. A proper environment with support from society, Primarily their own family, and government can solve many of the issues and as such, government has rolled out several initiatives and schemes to help women entrepreneurs to overcome these barriers. Various initiatives have been taken

preferably in 7<sup>th</sup>, 8<sup>th</sup>, 9<sup>th</sup> and subsequent five-year plans by making the women entrepreneurs a target group and developing schemes around this group. There are numerous schemes, where in women receive additional benefits/concessions/assistance such as PMEGP; also M/o MSME is executing two specific schemes for women i.e., TREAD and Mahila Coir Yojana. Mahila Vikas Nidhi and Rashtriya Mahila Kosh were funds set up in accordance with the provisions in the 9<sup>th</sup> five year plan for providing financial assistance to the women entrepreneurs. Also, with higher education and increasing literacy rates, the view of the society is also changing towards venturing of women into entrepreneurial activities. In the constantly changing scenario, the government should not only spread awareness at a large scale about various initiatives for women entrepreneurs but also set up dedicated centers for helping women entrepreneurs. Also, a single window set up for women entrepreneurs staffed with well informed and skilled personnel could help the women entrepreneurs to manage the cumbersome government procedures, manage tax related issues and complete legal formalities. Designing training programmes and workshops, more relevant to today's scenario along with programmes addressing problems and prospects of woman Entrepreneurship at various stages of the firm's life cycle would immensely help them by equipping them with skills and knowledge required to create a successful firm. Before epilogue, it is an apt to quote here the buzz words: *"Women are increasingly seen by men as well as women, as active agents of change: the dynamic promoters of social transformation that can alter the lives of both women and men"*- Amartya sen, Economist and Nobel Lawreate.

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