



Women Entrepreneurship in India- Problems and Prospects

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Abstract

With changes in technology, there is requirement to modify the society beliefs and render women a podium for entrepreneurship and democracy. With the growing help from Government, Non-Government and other financial institutions to many women entrepreneurs within the economy there can be substantial growth in the process of women entrepreneurship. In the new era women are stepping out and are seen everywhere. The woman entrepreneurs have focused themselves in various activities starting from home made Tiffin service to packaging and manufacturing sector. The entrepreneurship provides them a satisfaction and assimilates a deep sense of accomplishment to create their own individuality in the society. The objective of the paper is to understand if women have some preferred sector when it comes to starting their own business and why. Also to understand which sector are the one they are uncomfortable with and emphasis on the presence of women entrepreneurs in different sectors and the schemes that the government has introduced for their benefit and also suggestions to improve women entrepreneurship in India.

Keywords: Women entrepreneurs, technology, Government Schemes

Introduction

Entrepreneurs play a key role in the economic development of the country. A women entrepreneur is defined as the women or group of women, who initiate, organize and operate a business enterprise. Government of India has defined women entrepreneurs as an enterprise owned and controlled by a woman having a minimum financial interest of 51 percent of the capital and giving at least 51 percent of employment generated in the enterprise to women. 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 is male dominated one. Despite all the social hurdles, many Indian women stood as successful entrepreneurs. The transformation of social fabric of the Indian society, in terms of increased educational status of women and varied aspirations for better living, necessitated

a change in life style of Indian women. Women in India face many problems and constraints to get ahead in their life in business. They should explore the prospects of starting new enterprise, undertake risks, introduce innovations, coordinate administration and control business and provide effective leadership in all aspects of business.

Among the Indian population 50% of them are women. The role of women in India is bounded inside the four walls of the household activities. Our Society being reigned by men, the unfair treatment against the women is still exercised in different parts of the country. In past, the lifespan of Indian women was like a well defined certain master plan. It began with a girl playing with dolls and built to the crescendo of marriage. However, in this modern age things have been changed a lot. Spread 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.

In India women account for only five point two percent in terms of engaging into own business. There were more than 1,53,260 woman entrepreneurs claiming 9.01% of the total entrepreneurs in India during the year 1998-99. The decision relating to site selection for establishment of enterprise for women is based on closeness to the home. The 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. In the past rural women concentrated on traditional activities, but now due to the spread of education and favorable government policies towards self employment and skill development, women have changed their attitude and diverted towards non-traditional activities too. We find woman entrepreneurs engaged themselves in different type of activities.

The Women entrepreneurship is defined as an act of possession and innovation of businesses that benefices the women financially by increasing their confidence as well as the dominance in the society. The government of India has defined Women Entrepreneurship as the business possessed and governed by women having minimum financial stake of fifty one percent of capital and giving at least fifty one percent of the employment rendered by the business concern to women.

The Entrepreneurship can help women's financial independence and improve their position in the society. The development of women entrepreneurship enables

society to understand and appreciate their abilities. It enhances their position and leads to the integration of women in building the nation and development of economy.

Statistics of Women entrepreneurs in India

Everywhere you look, there is an Indian woman in the pursuit of the entrepreneurial dream. Women have always been involved in small, usually home-based businesses but this is different. We are more visible, we are more ambitious and we hear more women talking about building businesses, not just earning an income. What is driving so many women to start businesses? What challenges do they face? What helps them succeed? Does gender enter the entrepreneur's mind at all? These were only some of the questions we had, and out of that emerged the Women's Web Women & Entrepreneurship in India 2012 Study. The study was conducted online between June 1st and 20th and we received responses from 114 women entrepreneurs across the country. Below are the results, which will be of interest to entrepreneurs, entrepreneurs-in-the-making, mentors, advisors, funding firms and anyone with an interest in the story of women and entrepreneurship in India.

- A significant chunk (58%) of the entrepreneurs we surveyed had started their businesses between the ages of 20 and 30; interestingly, 25% had started up even before turning 25. It raises the possibility of at least some women starting up businesses without first holding a job, right after their education. As expected, most were either graduates or post-graduates.



- Bangalore leads all other cities head and shoulders in the presence of women entrepreneurs. Kolkata is the only absentee large metro, with all the others such as Chennai, the National Capital Region, Pune, Mumbai and Hyderabad figuring in the list.
- As for industry type, Professional services, IT/ITES, Apparel/accessories and Food & Beverages are the four major sectors in which women own businesses.
- The majority of women-owned businesses are micro-enterprises or small/mid-sized businesses, with 73% reporting a revenue of under Rs.10,00,000 (Rs. Ten lakh or One million) in the last financial year. Corresponding to this, the majority had fewer than 5 employees (71%). 57% of women entrepreneurs had started their businesses alone, while 35% had a co-founder and 8% were part of teams that involved more than 2 co-founders.
- 60% of women entrepreneurs started their business with a capital of under Rs.1,00,000, and personal funds and savings were used to start the business in a majority of cases. However, 30% of those surveyed stated that they had used more 1 source of funding.
- As for support in their entrepreneurial journey, besides friends and family the growing importance of the entrepreneurial community is reflected in the fact that 26% mentioned other entrepreneurs and entrepreneur groups. 23% also mentioned mentors and advisors.
- With the constant development in the Indian startup ecosystem, more and more women are chasing the entrepreneurial dream and succeeding in their ventures. This is empowering other Indian women still confined to the traditional homemaker role to think for themselves. However, a recent report states that only two Indian cities have made it to the list of the 50 most favorable global places for women to work. India's Silicon Valley, Bangalore, ranked 40th, while Delhi came in at the 49th place. This survey was conducted by the tech giant Dell and consultancy firm IHS Markit. The ranking—based on inputs from Indian women entrepreneurs, policymakers, venture capitalists, media, and academicians—measures a city's ability to attract and support women who want to grow their businesses.
- According to the National Sample Survey, only 14% of the businesses in India are run by women entrepreneurs. Most of the companies are bootstrapped and run on a small scale. The global disparity is evident in a report which says nearly 126 million women have their own business across the globe while Indian women linger around the 8 million mark; a paradoxical statement given that we are the second most populous nation in the world. Startup Talky has compiled a list of the successful female entrepreneurs who've made a mark in startup ecosystem in India.
- About 58% of the female entrepreneurs were in the age range of 20-30 when they started out.



- Nearly 73% of them report revenue of approximately Rs 10 lakhs in a financial year.
- Almost 57% of these women started out solo i.e. without any other member.
- About 35% of the women had a co-founder.
- Roughly 71% of the Indian female entrepreneurs employ five people or less.

In a country like India where most of the women aren't encouraged to think big (especially in the rural parts of the nation), there are some who have soared higher than one would expect from a constrictive setup. These wonder women are inspiring other ladies to venture on the path of startups through the success stories of their personal struggles and challenges. As a result, India is steadily rising up the ranks when it comes to a favorable startup ecosystem coupled with solid backing from the Government. Lets read few success stories of women entrepreneurship in India.

Problems of women entrepreneurs

- The entry to get finance for the commencement of business is the toughest problem faced by the women entrepreneurs and most of family members do not provide either moral support or financial help to their women folk to start their own business in which the women have skills that is required to start an enterprise
- The managing of the working capital by the women entrepreneurs becomes difficult because they are not able to provide surety to get loans from the financial institutions. As we know that the working capital is required for keeping the finished stock to meet

the demand in the market, for production and meeting the marketing needs and other administrative expenses.

- The Women entrepreneurs bump the trouble in getting the raw-materials and necessary inputs at a minimum price and less discount.
- Most of the women entrepreneurs have to face serious contest from structured industries. They have also to face a tough competition with the men entrepreneurs who can embroil easily in the publicity and marketing of their products with the structured sector
- The Woman entrepreneurs face problems in coordinating the production activities with change of technology.
- The problems like the attitude towards woman entrepreneurs, by the society, inadequate opportunities between women and women and very important amongst all the 'lack of confidence in women are also stalking the entrepreneurs.
- About forty percent of women in India are illiterate. Illiteracy is the main problem that creates social economical blocks. Due to absence in the know-how of change in the technology and lack of education produces troubles for women who want set up their own business concern.

Government Schemes and Associations of Women Entrepreneurs

1) **Self-Help Groups:** The self help Groups are the club of small number of self- employed rural or urban women entrepreneurs who join together to take care of group wellbeing. This group with the help of the financial institutions and other Nongovernmental organization get



their requirements fulfilled. This is a freewill affiliation. Each member puts up little amount cover seed money and rest of needed money will be taken care of by Nongovernmental organizations and Government.

2) **Federation of Indian Women:** It is the outcome of resolution passed in 4th International Conference Women Entrepreneurs held at Hyderabad. This was founded in the year 1993. It mainly interacts with various women association of the country through network to facilitate the member in diversified activities.

3) **Women's India Trust:** This trust was established in 1968. The trust was started with the main objective of helping woman entrepreneurs. Establishing Kamila Trust in U.K. in 1994 to market the products of Women's India Trust in London under the name "Kashi" and extended export activities to Australia, Europe and Germany.

4) **Small Industries Development Bank of India:** It has brought in two special schemes for women -Mahila Udyam Nidhi to provide equity to women entrepreneurs and Mahila Vikas Nidhi to provide assistance in terms of development for perusal of yielding income for the activities undertaken by women.

5) **SIDO:** Small Industries Development Organization conducts various programmes including Entrepreneurship Development Programmes for women. Small Industries Development Organization has introduced product orient Entrepreneurship Development Programmes in the areas like repairing of

television, printed circuit boards, leather goods, screen printing.

6) **Consortium of Women Entrepreneurs in India:** The Consortium of Women Entrepreneurs in India is a voluntary organization consisting of NGOs, SHGs, voluntary organizations and individual business units. The objective is to be providing technology up gradation facilities to women entrepreneurs and other facilities in marketing, finance, HRD and production. The consortium is also having international business connections and provides its members marketing and export support through this connection.

7) **NABARD:** National Bank of Agriculture and Rural Development is an autonomous financial institution provides liberal credit to rural women entrepreneurs.

9) **Self-employed Women's Association:** is a merchandise union of women which was registered in 1972 under Trade Union Act. The members of Self-employed Women's Association has extended its operations to the global level and has the opportunity of receiving grants from international organizations such as Ford Foundation, UNICEF, ILO, etc. and Government of India is also provides funds to this organization

Suggestions to improve Women Entrepreneurship in India

- ✓ When developmental programs are conducted in the country, women also have to be taken as particular group for the enrollment of programs as well for training purpose.
- ✓ In order to accommodate the varying demands and accomplishments,



- special training should be provided to women and also train them on management skills, professional abilities and leadership skill
- ✓ Attempts have to be made to enhance their skillfulness and quality of production through proper applied science, instrumentations and exercises.
 - ✓ Women entrepreneurs have to be rendered necessary help for merchandising their products.
 - ✓ The Government of India at national level and state level has to encourage the women entrepreneurs to take part in foreign merchandise fair, public display and leagues. They also have to be encouraged to take part in making decisions.
 - ✓ The family members of women entrepreneurs have to render support to them in and also take actively part in managing their units.
 - ✓ Attempts have to be made in focusing on simplifying the operations in terms of abiding the conventions and ordinances which are to be accomplished by women entrepreneurs in the form of registering their business and find help in terms of getting grants from various sections and government sponsored establishments.
 - ✓ The government has to improve in providing best educations and schemes to the Women.
 - ✓ The women entrepreneurs both new and existing have to undergo advising from psychologists, managerial experts and technical personnel to understand their abilities and to improve their skills and technical knowledge. The well established entrepreneurs can provide advocacy on their establishments in order to boost the team spirit of new women entrepreneurs.
 - ✓ The Financial Institutions should provide merchandize related financial transactions, render working capital for ventures whether large or small, render small loans to women entrepreneurs to empower them.
 - ✓ The persons who are acting as financiers need to be taught to handle women with self-respect.
 - ✓ In order to handle the issues and problems of women entrepreneurs, there is a need to have Women Guidance Cell.
 - ✓ The grooming for entrepreneurship must begin at high school with well planned courses, that can build confidence with the help of behavioral games.
 - ✓ A well designed training program has to be developed in order to train, motivate and render guidance to the new women entrepreneurs to accomplish their wish. The training program undertaken must provide lessons on marketing of products, generation of revenue, rendering help on using the new technology, balancing work and family life.
 - ✓ While allocating plots for industrial purpose, the Government has to mark some margin for providing industrial plots and other amenities to women entrepreneurs. As forethought, measures have to be taken to fend off the pervert of utilizing the given margin to women by men in the name of the women.



Conclusion

In present scenario due to modernization, urbanization, globalization and development of education, with increasing awareness, women are now seeking gainful participation in several fields. The entrepreneurship among women will help them in earning money and becoming economically independent. Due to social networking women will develop self-confidence, awareness and ability to marshal environmental support. This will lead to an improvement is not only the women, from the point of view of better health, education and skill but an improvement in her living condition also by being able to use cleaner fuel, better house, better sanitation, facilities and infrastructural facilities. This will lead to saving of resources like time, energy, transforming women into stronger personality and an overall improvement in her quality of life. Encouraging entrepreneurship among women is most important task to harness the difficulties of unemployment in the society.

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