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## HURDLES IN DEVELOPMENT OF WOMEN ENTREPRENEURSHIP IN INDIA

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### Abstract

*Women performance in any activity in the world has been wanting since man can remember. This research paper undertakes to study gender and entrepreneurship in India and steps taken to encourage women entrepreneurs. Gender distinctions in the business come a long way from the way the boys are brought up knowing that they are cut for the challenging careers – soldiers, pilots, scientists while the girls are given the notion that they must always be neat and clean thus they opt for career prospects that can enable them to be 'ladish' – secretarial jobs, nursing, owning shops, utmost teaching arts and the likes. The hidden entrepreneurial potentials of women have gradually been changing with the growing sensitivity to the role and economic status in the society. Skill, knowledge and adaptability in business are the main reasons for women to emerge into business ventures. The additional business opportunities that are recently approaching for women entrepreneurs are: Eco-friendly technology, Bio-technology, IT enabled enterprises, Event management, Tourism industry, Telecommunication, Plastic materials, Vermiculture, Mineral water, Sericulture, Floriculture, Herbal & health care, Food, fruits & vegetable processing, etc.*

*Women entrepreneurship development is an essential part of human resource development. The development of women entrepreneurship is very low in India, especially in the rural areas. Entrepreneurship amongst women has been a recent concern. Women have become aware of their existence their rights and their work situation. However, women of middle class are not too eager to alter their role in fear of social backlash. The progress is more visible among upper class families in urban cities. However, Indian women have to go a long way to achieve equal rights and position because traditions are*

*deep rooted in Indian society. The basic qualities required for entrepreneurs and the basic characters of Indian women, reveal that, much potential is available among the Indian women on their entrepreneurial ability. This potential is to be recognized, brought out and exposed for utilization in productive and service sectors for the development of the nation. This paper is attempt towards the same. This paper focuses on women entrepreneurship in India. The paper talks about the status of women entrepreneurs and the problems faced by them when they ventured out to carve their own niche in the competitive world of business environment.*

**Key Words:** Women Empowerment, Hurdles in Women Entrepreneurship, Entrepreneurship, Gender Issues, Gender Discrimination, Women in India

### **Introduction**

Across the world, generations of women from very different backgrounds contribute to their environments and are showing very encouraging signs of entrepreneurial spirit. The advancing pace of women's entrepreneurial activity across the globe represents a promising trend to fuel economic development and social progress. The entrepreneurial spirit lives in women from very different backgrounds and in very different contexts. Their contributions to their communities and countries cannot be ignored and, if cultivated, could present significant opportunities for social welfare and country wealth over time. There can be no mistaking the gender gap that exists between women and men as they pursue new venture creation and business ownership. Overall, regardless of country, men are more likely to be involved in entrepreneurial activity than women. Examination of entrepreneurial behavior across the globe yields a clear picture of a gender gap in venture creation and ownership activity. Entrepreneurial activity by women varies by country and business development stage across the world economy. The scope of women's new venture activity also varies from that of men. Indeed, there is a significant gender gap in entrepreneurial activity. Overall, men are nearly twice as likely to engage in entrepreneurial activity as women. The gender gap is apparent across all countries and while it is somewhat narrower in middle-income countries, these

countries are also places where the likelihood of a woman's business surviving is significantly lower.

The Indian economy has been witnessing a drastic change since mid -1991, with new policies of economic liberalization, globalization and privatization initiated by the Indian government. India has great entrepreneurial potential. The growth rate of women-owned businesses has climbed steadily, even as they continue to face challenges with getting the financing and other assistance they need to succeed. Women have become aware of their existence, their rights and their work situation. The progress is more visible among upper class families in urban areas. Entrepreneurship amongst women has been a recent concern. This paper focuses on hurdles in development of women entrepreneurship in India.

**1.1 Concept of Entrepreneur-** The word ' entrepreneur' derives from the French word "Entreprendre" (to undertake) .in the early 16th Century it was applied to persons engaged in military expeditions, and extend to cover construction and civil engineering activities in the 17th century, but during the 18th century, the word 'entrepreneur' was used to refer to economic activities. Many authors have defined 'entrepreneur' differently. Generally, an entrepreneur is a person who combines capital and labour for production. According to Cantillion "entrepreneur is the agent who buys means of production at certain prices, in order to sell at prices that are certain at the moment at which he commits himself to his cost". According to P.F Drucker "he is one who always (1) searches for change (2) responds to it (3) exploits it as an opportunity."

**1.2 Concept of women Entrepreneur Enterprise-"** A small scale industrial unit or industry –related service or business enterprise, managed by one or more women entrepreneurs in a concern, in which they will individually or jointly have a share capital of not less than 51% as shareholders of the private limited company, members of co-operative society".

### **1.3 Role of Women as an Entrepreneur**

**1) Imaginative:** It refers to the imaginative approach or original ideas with competitive market. Well-planned approach is needed to examine the existing situation and to identify the entrepreneurial opportunities. It further implies

that women entrepreneurs have association with knowledgeable people and contracting the right organization offering support and services.

**2) Attribute to Work Hard:** Enterprising women have further ability to work hard. The imaginative ideas have to come to a fair play. Hard work is needed to build up an enterprise.

**3) Persistence:** Women entrepreneurs must have an intention to fulfill their dreams. They have to make a dream transferred into an idea enterprise; Studies show that successful women work hard.

**4) Ability and desire to take risk:** The desire refers to the willingness to take risk and ability to the proficiency in planning making forecast estimates and calculations.

**5) Profit Earning Capacity:** She should have a capacity to get maximum return out of invested capital.

A Woman entrepreneur has also to perform all the functions involved in establishing an enterprise. These include idea generation, and screening, determination of objectives, project preparation, product analysis, determination of forms of business organization, completion of formal activities, raising funds, procuring men machine materials and operations of business.

## **2. Objectives of the study**

1. To take an overview of Women Entrepreneurship in India
2. To address the hurdles before Women Entrepreneurs in India

## **3. Categories of Women Entrepreneurs**

1. Women in organized & unorganized sector
2. Women in traditional & modern industries
3. Women in urban & rural areas
4. Women in large scale and small scale industries.
5. Single women and joint venture.

## **4. Status of women entrepreneurs in India**

In the words of president 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."

The Indian economy has been witnessing a drastic change since mid -1991, with new policies of economic liberalization, globalization and privatization initiated by the Indian government. At present, women involvement in economic activities is marked by a low work participation rate, excessive concentration in the unorganized sector and employment in less skilled jobs. Women entrepreneurship has gained momentum in the last three decades with the increase in the number of women enterprises and their substantive contribution to economic growth. The industrial performance of Asia-Pacific region propelled by Foreign Direct Investment, technological innovations and manufactured exports has brought a wide range of economic and social opportunities to women entrepreneurs. Two main streams of thoughts have influenced the promotion of women entrepreneurship in India by the government as well as by various other agencies. The first stream is employment centered. It has been argued that considering their weaker bargaining power in the market as well as society, women should be given higher priority in various entrepreneurial schemes. The second most stream of thought relates to the argument for autonomy of women. There were more than 2,95,680 women entrepreneurs claiming 11.2 % of total 2.64 million entrepreneurs in India, during 1995-96. This is almost double the percentage of women (5.2%) among the total population of self employed during 1981. On this, a majority was concentrated in low-paid, low-skilled, low-technology and low-productivity jobs in the rural and un-organized sector. Almost 79.4 million women workers were in the rural areas as against only 10% (86 million) in the urban areas.

## **4.2 Supportive Measures for Women's Economic Activities and Entrepreneurship**

### **4.2.1 Direct & Indirect Financial Support**

1. Nationalized banks
2. State Finance Corporation
3. State industrial development corporation

4. District industries centers
5. Small Industries Development Bank of India (SIDBI)
6. State Small Industrial Development Corporations (SSIDCs)

#### **4.2.2 Yojana Schemes and Programme**

1. Nehru Rojgaar Yojana
2. TRYSEM
3. DWACRA

#### **4.2.3 Technological Training and Awards**

1. Stree Shakti Package by SBI
2. Entrepreneurship Development Institute of India
3. Trade Related Entrepreneurship Assistance and Development (TREAD)
4. National Institute of Small Business Extension Training (NSIBET)
5. Women's University of Mumbai

#### **4.2.4 Federations and Associations**

1. National Alliance of Young Entrepreneurs (NAYE)
2. India Council of Women Entrepreneurs, New Delhi
3. Self Employed Women's Association (SEWA)
4. Association of Women Entrepreneurs of Karnataka (AWEK)
5. World Association of Women Entrepreneurs (WAVE)
6. Associated Country Women of the World (ACWW)

#### **4.3 Present Areas of Women Entrepreneurship in India**

1. Cosmetics and Beauty Parlors 2. Garments and Textile Items 3. Education and Training 4. Interior Decoration 5. Nursery and Creches 6. Handicrafts 7. 3P's (Pickles, Powder [spices] and Papad) 8. Consultancy Services 9. Medicare (Medical and Paramedical) 10. Engineering Goods 11. Banking and Financial Institutions 12. IT based businesses

#### **5. Hurdles before women entrepreneurs in India**

Basically all women entrepreneurs almost suffer from two main categories of problems, such problems can be designated as follows: - 1) Gender Related Problems 2) General Economic Problems. Over-all these problems can be summed up as under:

**5.1 Gender Discrimination:** - This is the main entry barrier for women to engage themselves in entrepreneurship activity. The cultural set is concerned with the status of women. It cannot secure healthy condition for women entrepreneurs. Women have suffered and are suffering from discrimination and deprivation. In fact, both these traits reinforce each other. The gender discrimination starts even before birth by sex determination techniques and abortion of female foetuses. The daily diets of girls are less than those of boys and create deficiency diseases. The discrimination in diet leads to higher mortality, anemia, and retardation diseases. There is discrimination against females in education. Though women have constitutional equality they face difficulties in getting an equal share in property of father, in asking for partition of property, in prosecuting husbands committing of indulging adultery, in getting half share of property as compared to sons. They face difficulties in getting maternity benefits. The cultural set requires a considerable degree of freedom for decision making. It also requires problem solving, negotiating, and persuasion, meeting different types of persons, action learning and considerable degree of control. The attitude towards a woman entering business is negative yet.

**5.2 Problem of Finance arrangement:** - Finance is said to be the “life blood” of every business undertaking, be it large or medium or small scale enterprise. Usually women entrepreneurs face the problems of shortage of finance on two important grounds. Firstly, women do not generally have property on their own names to use that as collateral securities for obtaining loans/funds from banks and other financial institutions. Secondly, the banks also consider women less credit worthy and discourage women borrowers on the belief that they cannot repay back the amount of loans taken by them. Financial institutions discourage women entrepreneurs on the belief that they can at any time leave their business and become housewives again. The result is that they are forced to rely on their own savings, and loan from relatives and family friends.

**5.3 Scarcity of raw materials required for productive capacities:** - They have to even face the problems of scarcity of raw-materials and necessary inputs. On the top of this, is the high prices of raw materials, on one hand and getting

raw materials at minimum discount rates is the other. Knowledge of alternative source of raw materials availability and high negotiation skills are the basic requirement to run a business. Getting the raw materials from different source with discount prices is the factor that determines the profit margin. Lack of knowledge of availability of the raw materials and low-level negotiation and bargaining skills are the factors, which affect women entrepreneur's business adventures.

**5.4 Limited mobility:** - Unlike men, women mobility in India is highly limited due to many factors/reasons. A single women asking for room is still looked with suspicion. Cumbersome exercise involved in starting with an enterprise coupled with officials humiliating attitude towards women compels them to give up their spirit of surviving in enterprise altogether.

**5.5 Family responsibilities:** - In India, mainly a woman's duty is to look after her children and manage the other members of the family. In case of married women she has to strike a fine balance between her business and family. Her total involvement in family leaves little or almost no time or energy to be diverted for the business activities. Support and approval of husbands seems to be necessary condition for women entry into business. Accordingly, the educational level and family background of husbands also influences women participation in the field of enterprise.

**5.6 Lack of education and prevalent levels of illiteracy amongst women:** - In India, around 3/5th (60%) of women are still illiterate. Due to lack of education, women are not aware of business, technology and market knowledge. It causes low achievement motivation amongst women. They are ignorant of new technologies or unskilled in their use, and often unable to do research and gain the necessary training. Although great advances are being made in technology, many women's illiteracy, structural difficulties, and lack of access to technical training prevent the technology from being beneficial or even available to females ("Women Entrepreneurs in Poorest Countries," 2001). The studies indicate that uneducated women don't have the knowledge of measurement and basic accounting.



**5.7 Male Domination:** - Male chauvinism is still prevalent in many parts of the country yet. The constitution of India speaks about the equality. But in practice, women are looked upon as weak in all respects. Thus women suffer from a number of problems, in a nutshell in a male dominated society, women are not treated equal to men. She is her Father's shadow in her childhood, her husband's in her youth and her son's in her old age. It is difficult to survive her as a boss in the male world.

**5.8 Lesser risk and uncertainty bearing attitude:** - Women in India lead a protected life. They are even less educated and economically not stable & self-dependant. All these factors reduce their ability to bear risks and uncertainties involved in a business unit. Risk bearing is the most important criteria of every business activity. Investing money, maintaining the operations and ploughing back money for surplus generation requires high risk taking attitude, courage and confidence. Though the risk tolerance ability of the women in day-to-day life is high compared to male members, while in business it is found opposite to that.

**5.9 Lack of self-confidence and optimistic attitude amongst women:** - Today all the women are suffering from one major problem of lack of self-confidence, will-power, strong mental outlook, optimism etc. They always fear from committing mistakes while doing their piece of work.

**5.10 Old and outdated social outlook to stop women from entering in the field of entrepreneurship:** - Also one of the dominant reasons for their failure is the attitude of society people towards their modern business prospects and developing attitude. Women nowadays have low risk taking ability because of the number of questions put forward by the conservative society people. Thus they are under a social pressure which restrains them to prosper and achieve success in the field of entrepreneurship.

**5.11 Absence of proper support and back-up :-** Many a times their own family members are not supporting and cooperating as well as having encouraging attitude to dare to enter into the entrepreneurship field. Due to such limited scope of help and cooperation from family and other people, they drop the idea of stepping in the enterprise field.

**5.12 Non-awareness of facilities provided by government:** - Most of the times women are not aware of various schemes of facilities provided especially for them by Government or other financial institutions. It is again due to lack of Quality Education and social constraints, too.

**5.13 Low-level management skills:** - They have to depend on office staffs and intermediaries, to get things done, especially, the marketing and sales side of business. Marketing means mobility and confidence in dealing with the external world, both of which women have been discouraged from developing by social conditioning. Even when they are otherwise in control of an enterprise, they often depend on males of the family in this area.

**5.14 Cut-throat competition with other group of men and established self-sufficient entrepreneurs:** - Women entrepreneurs do not have a proper organizational set-up to pump in a lot of money for canvassing and advertisements. Thus they have to face a stiff competition with the men entrepreneurs who easily involve in the promotion and development area and carry out easy marketing of their products with both the organized sector and their male counterparts.

**5.15 Finally high production cost of some business operations** adversely affects the development of women entrepreneurs. The installation of new machineries during expansion of the productive capacity and like similar factors dissuades the women entrepreneurs from venturing into new areas.

## **6. Recommendations**

### **6.1. Group Efforts:**

- a) Consider women as specific target group for all developmental programmes.
- b) Women's development corporations have to gain access to open-ended financing.
- c) Making provision of micro credit system and enterprise credit system to the women entrepreneurs at local level.
- d) A Women Entrepreneur's Guidance Cell set up to handle the various problems of women entrepreneurs all over the state.
- e) Involvement of Self Help Groups in Entrepreneurship Development

f) Forming a cooperative association of women entrepreneurs to mobilize resources and pooling capital funds, in order to help the women in the field of industry, trade and commerce.

g) To establish all India forum to discuss the problems, grievances, issues, and filing complaints against constraints or shortcomings towards the economic progress path of women entrepreneurs and giving suitable decisions in the favour of women entrepreneurs and taking strict stand against the policies or strategies that obstruct the path of economic development of such group of women entrepreneurs.

### **6.2. Government Efforts:**

- a) Better educational facilities and schemes should be extended to women.
- b) Making provision of marketing and sales assistance from government part.
- c) State finance corporations and financing institutions should permit by statute to extend purely trade related finance to women entrepreneurs.
- d) Infrastructure, in the form of industrial plots and sheds, to set up industries is to be provided by state run agencies.
- e) More governmental schemes to motivate women entrepreneurs to engage in small scale and large-scale business ventures
- f) Offering seed capital, up-liftment schemes, women entrepreneurs fund to encourage them economically.

### **6.3. Training:**

- a) Adequate training programme on management skills
- b) Vocational training to understand the production process and production management.
- c) Training on professional competence and leadership skill
- d) Continuous monitoring and improvement of training programmes
- e) Training to focus on their marketability and profitability.
- f) Involvement of Non Governmental Organisations in women entrepreneurial training programmes and counseling.

### **6.4. Encouragement, motivation and support:**

- a) Encourage women's participation in decision-making.

b) Programmes for encouraging entrepreneurship among women are to be extended at local level. c) More motivation from family members and society as a whole.

d) Personality development programmes, to improvise their over-all personality standards. e) Attempts to bring about a society attitude change, generation of awareness and consciousness on the policy of self-development of women entrepreneurs.

#### **6.5. Education:**

a) Skill development to be done in women's polytechnics and industrial training institutes. Skills are put to work in training-cum-production workshops. Attempts to establish for them proper training institutes for enhancing their level of work-knowledge, skills, risk-taking abilities, enhancing their capabilities.

b) Training in entrepreneurial attitudes should start at the high school level through well-designed courses, which build confidence through behavioral games

c) Well designed courses for Gender sensitization.

#### **6.6. Counseling:**

a) Counseling on a large scale of existing women entrepreneurs to remove psychological causes like lack of self-confidence and fear of success.

b) Counseling through the aid of committed NGOs, psychologists, managerial experts and technical personnel should be provided to existing and emerging women entrepreneurs.

c) They should be taught to recognize their psychological needs and how to express them.

#### **6.7. Industry and Financial Institutions:**

a) The financial institutions should provide more working capital assistance both for small scale venture and large scale ventures.

b) Repeated gender sensitization programmes should be held to train financiers to treat women with dignity and respect as persons in their own right.

c) Industrial estates could also provide marketing outlets for the display and sale of products made by women.

- d) District Industries Centers and Single Window Agencies should make use of assisting women in their trade and business guidance.
- e) Establishing various policies to offer easy finance schemes for economically strengthening the position of women
- f) To extend concessional rates facilities and schemes for women entrepreneurs to prosper in the field of enterprise.

**6.8. Information and Knowledge:** Attempts by various NGO's and government organizations to spread information about policies, plans and strategies on the development of women in the field of industry, trade and commerce.

### **7. Conclusion**

Today women participation in the field of entrepreneurship is increasing at a considerable rate. This is due to attitude change, diverted conservative mindset of society to modern one, daring and risk-taking abilities of women, support and cooperation by society members, changes and relaxations in government policies, granting various up-liftment schemes to women entrepreneurs etc. Now, what else is required is to continue with the above changed trend, emphasizing on educating women strata of population, spreading awareness and consciousness amongst women to outshine in the enterprise area, making them realize their strengths, and important position in the society and the great contribution they can make for their industry as well as the entire economy. Every citizen should have a respecting attitude towards the important position occupied by women in society and understanding their vital role in the economic development.

The gender afflictions in entrepreneurship will not vanish with feminism or gender switches. These may lesson with more democracy, awareness, better legislation, and better power structure for women, empowerment of women and with more emancipation of women.

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