

## Problems and Prospects of Women Entrepreneurs

**Dr. K. SIVA SANKAR**

Associate Professor and Head,

Department of Commerce (E-Commerce)

Ayya Nadar Janaki Ammal College (Autonomous), Sivakasi.

---

### ABSTRACT

Women Entrepreneurship is relatively a recent phenomenon which came into prominence in the late 1970s. Due to the spread of education, favourable government policies towards development of women, entrepreneurship awareness and new kind of avenues, more and more women are venturing as entrepreneurs in all kinds of business, economic and other useful activities. Women Entrepreneurship in India has come a long way from papads and pickles to engineering and electronics. Nowadays, elite women in cities are making a mark in non-conventional fields such as consultancy, garments exporting, interior designing, textile printing, food processing, chemicals, pharmaceuticals, etc. In this paper discuss with what are problems faced by women entrepreneur and give remedial measures to overcome the problem and act as a successful entrepreneur.

Keywords: Entrepreneurship, Women, Entrepreneurship, Business Enterprises.

---

### INTRODUCTION

According to Collins Co build English Language Dictionary, 1987, “An Entrepreneur is a person who sets up business deals in order to make a profit” Women entrepreneurs are defined as “the women or group of women who initiates, Organises and operates a business enterprises”

The government of India has defined women entrepreneurs as “an enterprise owned and controlled by a women having a minimum financial interest of 51% of capital and giving at least 51% of the employment generated in the enterprise to women”

### FACTORS INFLUENCING THE WOMEN ENTREPRENEURS

Mainly two factors influence the women entrepreneurs in India

#### 1. PULL FACTORS:

Pull Factors are those which encourage women to become entrepreneurs. These includes desire to do something new in life, need for independence, availability of finance, concession and subsidies

#### 2. PUSH FACTORS:

Push factors are those which compel women to become entrepreneurs. These include unfortunate family circumstances like death of husband or father, financial difficulties, responsibility in the family, etc.

### TYPES OF WOMEN ENTREPRENEURS

Women entrepreneurs can be classified into following categories:

- **Chance Entrepreneurs:** These entrepreneurs start business without any preparation, clear goals or plan. They happen to grab the opportunities which they come across.
- **Natural Entrepreneurs:** The entrepreneurs take business as a profession on their own by self-planning or motivated through profit factor and also keeping themselves busy.
- **Created Entrepreneurs:** These entrepreneurs are encouraged and trained through specialised training programmes such as Entrepreneurship Development Programme to set up their own industrial units

- **Forced Entrepreneurs:** The women who are compelled by circumstances such as the death of father or husband to take over the existing business are called forced entrepreneurs
- **Benami Entrepreneur:** Those who act as facade for business of their husband or brother

## WOMEN ENTREPRENEURS IN INDIA

Women Entrepreneurship is relatively a recent phenomenon which came into prominence in the late 1970s. Due to the spread of education, favourable government policies towards development of women, entrepreneurship awareness and new kind of avenues, more and more women are venturing as entrepreneurs in all kinds of business, economic and other useful activities.

Women Entrepreneurship in India has come a long way from papads and pickles to engineering and electronics. Nowadays, elite women in cities are making a mark in non-conventional fields such as consultancy, garments exporting, interior designing, textile printing, food processing, chemicals, pharmaceuticals, etc. The women entrepreneurs in India can be classified into Three categories:

- i. Women with adequate education and professional qualifications and a majority of them live in cities. Such women entrepreneurs are engaged in medium and large industrial units and non-traditional establishments. They are not confined to commercial activities but venture into fields such as electronics, engineering, and services. This class of entrepreneurs is endowed with high drive, creativity and innovation for taking on the challenging role of entrepreneurship.
- ii. The second category consist of middle class women who have education but lack training. They are mostly engaged in handicrafts and cottage industries and produce low value added items such as knitting, garments, doll and toy-making, etc. These women have turned entrepreneurs due to pull and push of traditional and changing values.
- iii. Women take up business enterprise to tide over financial difficulties when responsibility is thrust upon them due to family circumstances. This group of women entrepreneurs are illiterates, financially weak and are engaged mostly in family business such as horticulture, fisheries, nursery, handlooms, etc.

## PROBLEMS OF WOMEN ENTREPRENEURS

The problems of women entrepreneurs in India are immense and complex. They face more serious problems than men entrepreneurs. Some Important problems faced by women entrepreneurs are explained below:

### 1. No Independence:

The primary problem of a women entrepreneur is that of her being a women. She is considered subordinate to a male in all walks of life. The basic ingredients such as independence and authority required for a successful entrepreneur are not adequate for women in India.

### 2. Lack of Confidence:

Women generally lack confidence in their own capabilities. Even at home, the members of their families do not seem to have total confidence in their abilities. Society in general also lacks confidence in women's strength, traits and competence. This is quite apparent in the family's reluctance to finance a women venture, bankers are not prepared to take risk on projects set by women and individuals are not willing to send guarantee for loans to women.

### 3. Social Attitudes:

Social attitudes are equally responsible for keeping women away from training and skill in rural areas, overbearing presence of elders restricts the young girls from Venturing out and very strict boundaries are drawn around their mobility.

#### 4. Low Literacy:

Low literacy level hinders women in carrying out their activities as entrepreneurs. Female literacy percentage is 18.5% for India as a whole. Lack of education handicaps their grasps of technological and marketing knowledge.

**5. Low Risk Bearing Capacity:** Risk bearing capacity which is a crucial factor in running an enterprise is low among women. Moreover, the impact of losses are more severe on women since they lack sufficient social support.

#### 6. Dual Responsibility:

A woman has to perform responsibilities towards family, society and work simultaneously. Consequently, a serious conflict emerges between home and work resulting in high stress level inhibiting her success, independence and progress.

#### 7. Finance Constraints:

The problem of finance for women entrepreneurs still remains a challenges. They lack access to external funds due to their inability to provide tangible security. Very few women have property in their name. Banks also take a negative attitude while providing finance to women entrepreneurs. As a result, they rely on their own funds and loans from family friends, which is inadequate to run the business.

The Study 'Roadmap 2020 and Beyond' found that 75% of women entrepreneurs find access to finance as challenging at the start of their business. During expansion nearly 78% of them have difficulties in attracting investors. 68% of the women owned firms depends on personal finance to fund their enterprises while 20% access to institutional debt and venture capital funds.

#### 8. Marketing Problems:

Marketing is a serious problem encountered by women entrepreneur due to the following reasons:

The Sixth Economic Census (2013-2014) reveals that as much as 79% of women establishments were self-financed and just 1.1% was able to borrow from financial institutions.

- i. Competition has become intensified due to the introduction of wide variety of products. This poses serious threats to the survival of small entrepreneurs who depend on low level technology.
- ii. Due to lack of storage facilities, entrepreneurs mostly of the 'stay-capacity' engaged in seasonal and agro-based products are forced to sell their products to middlemen at a lower price. The middlemen who corner a considerable amount of margin that should accrue to women entrepreneurs.
- iii. The rural women entrepreneurs do not know as how to synchronise their products with market requirements. They are unaware of enhancing the value for their products by way of finishing, packaging and advertising.
- iv. The fast mushrooming of the small units creates inter unit competition within small-scale industries themselves.
- v. The competition from multinational companies poses the greatest danger to women entrepreneurs. Those entrepreneurs who can innovate or restrict their operations in their areas of strength can only exist.
- vi. Sufficient arrangements are not made to market the products of women Entrepreneurs.

#### 9. Limited Mobility:

Women Entrepreneur are handicapped by heir inability to travel from one place to another for business reasons. Further, the humiliating attitudes of government officials , i.e., licensing authorities, Labour Officers. Sales-tax Officials, etc., make life miserable for women and force them to get out of the business in certain cases.

### REMEDIAL MEASURES

In order to promote women entrepreneurship, the following measures have to be made at different levels of the economy.

**i. Vocational Education:**

The first measure would be to provide education, particularly Vocational and Technical education to girls. The curriculum should be restructured to include accountancy, management, computer science, small-scale industry, entrepreneurial development, etc.,

**ii. Entrepreneurship Motivation at School Level:**

The girls at the school level should be inspired to adopt entrepreneurship. Generally, women dream to become job-seekers rather than job-makers. To innovate the women, a coordinated effort should be made among the educational institutions, government departments and the business world.

**iii. Accessibility to Information:**

All possible access to information should be provided for women entrepreneurs. Government agencies, Association of women entrepreneurs, NGO's and Universities should assume responsibilities in this regard.

**iv. Separate Publications:**

Separate publication should be brought out and distributed to women entrepreneurs on subsidies rate in order to create awareness and encourage them to avail of the benefits offered to them. Media should be used to give maximum information for promoting the cause of women entrepreneurs.

**v. 100% Finance:**

Banks and financial institutions should offer 100% loans without collateral securities to qualified technocrats. Similarly, term-loans and working capital loans should be sanctioned liberally on differential terms. It is also suggested that a certain percentage be reserved for women in the various self-employment schemes launched by the government.

**vi. Access to Technology:**

Access to technology is low for women entrepreneurs. Due to lack of finance and information, they cannot have proper tools and equipments to improve the product. Setting up of Special Institutions at the state level would help to upgrade their skill and acquire new techno-managerial knowledge so that they could go in for innovative technologies of production.

**vii. Simple Formalities:**

Efforts should be made to simplify the procedures, formalities, rules and regulations, etc., in matters regarding registrations and getting assistance from different departments and government agencies.

**viii. Women Cooperatives:**

To meet the severe competition held out by big and small business, women cooperatives may be formed to market the products. Rural markets that cater to nearly three-fourths of the total consumers in India offer a vast scope for women entrepreneurs. Rural tourism is another area which can be marketed by rural women Entrepreneurs.

**CONCLUSION**

Women are plays the most important role in the society, so government and other statutory authorities to take remedial measures to overcome the problems faced by women entrepreneur. Also the family members and society to be motivate working women then only the growth of entrepreneurship possible.

**References**

- ✓ Brush, C. G., de Bruin, A., & Welter, F. (2009). A gender-aware framework for women's entrepreneurship. *International Journal of Gender and Entrepreneurship*, 1(1), 8–24.
- ✓ Das, M. (2000). Women entrepreneurs in India: Problems, prospects and strategies for growth. *Journal of Entrepreneurship*, 9(1), 15–38.
- ✓ Desai, V. (2012). *Dynamics of Entrepreneurial Development and Management* (5th ed.). Himalaya Publishing House, Mumbai.

- ✓ Government of India. (2014). *Sixth Economic Census 2013–14*. Ministry of Statistics and Programme Implementation, New Delhi.
- ✓ Khanka, S. S. (2018). *Entrepreneurial Development* (2nd ed.). S. Chand & Company Ltd., New Delhi.
- ✓ Ministry of MSME. (2020). *Annual Report 2019–20*. Government of India, New Delhi.
- ✓ Rao, S., & Kumari, P. (2017). Women entrepreneurship in India: Issues and challenges. *International Journal of Management and Social Sciences Research*, 6(3), 34–38.
- ✓ Singh, A. K., & Belwal, R. (2008). Entrepreneurship and SMEs in Ethiopia: Evaluating the role, prospects and problems faced by women in this emergent sector. *Gender in Management: An International Journal*, 23(2), 120–136.