



## Problems and Prospects of Women Entrepreneurs in India

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### ABSTRACT

*Economic Growth and development of the country is determined by human, physical and financial resources. Even though, there is an abundance of natural and physical factors are not adequately cultivated or properly managed. Industrial development of any region is the outcome of the purposeful human activity and entrepreneurial thrust. In*

*India, a large number of people are seeking entrepreneurship as a career option. Increasing number of unemployed youth are being attached to entrepreneurship and are planning to setup their own business ventures.*

### KEYWORDS :

#### 1.1 INTRODUCTION

The word "Entrepreneur" is derived from the French word "entreprendre" which refers to undertake" i.e individuals who undertake the risk of new enterprise. Today we take it for granted the meaning of the word entrepreneur. It suggests spirit, zeal, ideas, diversity etc. In the past, the word enjoyed purer and more precise meaning. It described only those who created their own business. In the early 16<sup>th</sup> Century, the French men who organized and led military expeditions were referred to as "Entrepreneurs". Later in the 17<sup>th</sup> century, the term was used to other types of adventures and civil engineering works like construction of roads, buildings, bridges etc.

#### Entrepreneurship:

Entrepreneurship plays a critical role in the growth of our country. Besides being the vehicle of industrial development, entrepreneurship can solve acute problems like unemployment, concentration of economic power in the hands of a very few, imbalanced regional development, increasing wastage of youth power in destructive activities etc. Entrepreneurship is the ability to identify an investment opportunity and to organize an enterprise in order to contribute for the real economic growth. (Entrepreneurship) It becomes many qualities such as innovation, risk taking, combining factors of production etc. It largely depends on personal qualities like accepting challenge and bearing risk. Entrepreneurship is the function of handling economic activity undertaking risk, creating something new and organizing and co-coordinating resources.

#### 1.2 Entrepreneurship Development:

Entrepreneurship development is a prerequisite for an overall economic development of any country. In India, we have mixed economy i.e. co-existence of both private and public sector. The private sector especially small-scale sector requires entrepreneurial development. Entrepreneurial development is a process in which persons are prepared to face business uncertainties and risks. This is possible with proper education, training, motivation, orientation, and re-orientation of entrepreneurs. Growth of an enterprise depends upon the entrepreneurial development, Entrepreneurial development requires an environment in which an entrepreneur can learn and discharge his functions. Every entrepreneur must have average intelligence. Other qualities like motivation, knowledge, risk bearing capacity, opportunity creation etc, can be injected to entrepreneurs through proper training programmes.

#### 1.3 Women Entrepreneur:

Even though women constitute almost half of the total world population, historically, women have played a disproportionately small role in the field of business. Entrepreneurial development largely depends upon the economic, social, religious, cultural, legal and psychological factors prevailing in the society, In a male dominated society women are not exposed to risks which adversely affected on their self confidence, innovativeness and risk taking ability. In traditional society,

women are confined to four walls.

But in advanced countries like USA, UK, Canada, France, Australia, Germany women entrepreneur account for not less than one third of the small business especially in the areas like retail trader and hotels making a significant impact on all segments of economy.

#### 1.3.1. Women and Entrepreneurship:

Commercialization and modernization of the country gradually eliminated many of the avenues of employment to women in agricultural and industries and thus enabled them to find ways of supplementing their family income. As a result of this, a section of urban women have emerged as potential entrepreneurs. This development is of significant importance in the society. It is since the last decade that the women have started emerging on the business scene and some of them have achieved remarkable success too. Some of the successful women entrepreneurs in India are Smt Kiran Mazumdar Shah of Biocon, Smt. Vimala Pitre – Manufacturer of surgical equipment. Smt. Manik Vaneseker of Leather Crafts, Smt Radhanika Pradhan of Plastic industries and Smt Gogate of Drugs etc.

#### Reasons for Women Entrepreneurship:

One must accept the fact that entrepreneurship is not related to sex of an individual, Women can be as successful entrepreneurs as men. The entry of women in business is only a recent development in the orthodox, traditional, social and cultural environment of our society. Our society has not allowed women to think independently in the past. But in the last decade, economic compulsions have led more and more young women to take-up employment and potential source of women entrepreneurship has emerged. The following are some of the reasons for emerging women entrepreneurship.

- Not finding a job
- Unable to work in her house
- New challenges and opportunities for self-fulfillment.
- Proving their innovative skills.
- Need for additional income.

The above reasons clearly indicate that economic compulsions, family responsibilities and desire to enjoy social status compel the women to take up enterprises.

#### Problems of Women Entrepreneurs:

Most of the women entrepreneurs face peculiar problem like illiteracy, fear of risk, lack of training and experience, feeling of insecurity, limited purchasing power, and completion from male entrepreneurs. Most important problem faced by women entrepreneurs is that they do not get enough support from family members. Women in rural areas suffer more when compared to urban women entrepreneurs. In rural areas, joint family system is still the norm. Women in a family are considered as helpers. Some of the major problems faced by women

entrepreneurs are discussed below:

#### 1.4 Problems of Women Entrepreneur:

- **Paucity of funds:**

Most of the women are dependent firstly on parents and thereafter on their husband and children. They fail to get extra funds due to absence of tangible security and credit in the market. In most of the cases, properties are not registered in the name of women. Banks do not encourage women entrepreneurs. Women entrepreneurs to the large extent depend on personal savings and loans from friends. This has resulted in the failure of women enterprises.

- **Competition:**

Women entrepreneurs face severe competition from large sized organization and male entrepreneurs.

- **Middlemen:**

Middlemen exploit women entrepreneurs than men entrepreneurs, because marketing involves a lot of running which is a tough task for women. Thus, for marketing their products women entrepreneurs are heavily dependent on middlemen who pocket large amount of profit

- **Legal formalities:**

Women entrepreneurs find it extremely difficult in complying with various legal formalities in obtaining licenses etc.

- **Procurement of Raw Material:**

Procurement of raw materials is really a tough task for women entrepreneurs. This may result in high cost of production.

- **Traveling:**

Women entrepreneurs cannot travel from one place to another as freely as men do. Women have some peculiar problems like staying out in the nights, distant places etc, which deter the marketing opportunities.

- **Family bond:**

Women are understood to be emotionally attached to their families. They are supposed to look after the children, husband and other family members. Woman entrepreneur's success largely depends upon how much support they get from their family members.

- **Traditions and customs:**

Most of the Indian women suffer from traditions and customs which discriminate women from men. Women are not allowed to venture by husband and other elderly persons in the family. Women are considered to be helpers of the family. Especially in rural areas women suffer from traditions and customs. Women potentials are not properly utilized.

- **Risk Bearing:**

Women entrepreneurs have less risk bearing capacity, because they lead a protected life. Lack of training, illiteracy, late start etc are other problems that deter the growth of women entrepreneurship. In addition a variety of personal, social economic, legal resources are support

system constrains restrict women entrepreneurs in achieving their enterprise targets.

#### 1.5 Remedies and prospects of Women Entrepreneurs:

Once an enterprise starts, the difference between a male and female must be forgotten because an entrepreneur is an entrepreneur, business is business, and profit and loss strictly depends upon entrepreneurial competencies. In order to make the women entrepreneurs to start the business ventures, the following measures may be adopted.

- **Creation of Finance cells:** The financial institutions and banks which provide finances to entrepreneurs must create a special cell for providing easy finance to women entrepreneurs. For the conveniences of such entrepreneurs, these cells should be manned by women staff members.
- **Concessional Rates of Interest:** The women entrepreneurs should be provided finance concessional rates of interest and at easy repayment basis. The rigid formalities should be avoided in sanctioning the loans to women entrepreneurs.
- **Proper supply of Raw Materials:** Women entrepreneurs should be ensured of proper supply of scale raw material on priority basis. A subsidy may also be offered to make the products manufactured by women entrepreneurs cost competitive and reasonable.
- **Changing of Social Attitudes:** It is necessary to change the negative social attitudes towards women. The elders, particularly mothers, mother-in-law, need to be made aware of potentiality of the girl and their role in the family and society. Unless the social attitudes are made positive through education and awareness programmes, the women entrepreneurs cannot get the required support from their family members.
- **Offering Training Facilities:** Training is essential for the development of entrepreneurship. It enables the women entrepreneurs to undertake the venture successful as it imparts required skills to run the enterprise. Additional facilities like stipend, good hygienic crèches, transport facilities etc can be offered to attract more and more women entrepreneurs. Presently, the economically weaker entrepreneurs of the society are offered such training facility under Prime Minister's Rozgar Yojana (PMRY) programme.
- **Setting up Marketing Co-Operatives:** Proper encouragement and assistance should be provided to women entrepreneurs for setting up marketing co-operatives. These co-operative shall help in getting the inputs of reasonable rate and they are helpful in selling their products at remunerative prices. Hence, middlemen can be avoided and women entrepreneurs derive the benefits of enterprise.

#### 1.6 Conclusion:

It is concluded that proper education, comprehensive training, setting up of separate financial institutions, development of marketing co-operation to a large extent help to flourish the women entrepreneurs in India. Further, both government and non-government agencies should play an important role.

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