

A Study on Problems and Prospects of Women Entrepreneurs in North Karnataka



Commerce

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ABSTRACT

Our first Prime Minister Jawahar Lal Nehru has rightly pointed out that "To awake the people it is the women who should be awakened first. Once she is on the move the family moves the nation moves". There is a need for changing the mindset towards women so as to give equal rights as enshrined in the constitution. The progress towards gender equality is slow and is partly due to the failure to attach money to policy commitments. 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.

Introduction:

The Indian women are no longer treated as show pieces to be kept at home. They are also enjoying the impact of globalization and making an influence not only on domestic but also on international sphere. Women are doing a wonderful job striking a balance between their house and career, but women entrepreneurs facing some problems. The problems of women entrepreneurs are classified into financial, marketing, human resource. The finance is the scarcest resource in any part of the world and it is very important requirements of an enterprise. Banks and financial institutions hesitate in lending credit to women entrepreneurs due to lack of collateral security in their name and non availability of right guarantee..

Review of literature:

Harinarayana Rao (1991) has analyzed that poor financial status of women, lack of cooperation from family and society kept them away from mainstream of entrepreneurship. Courtney Price and Stuart Monroe (1993) have identified lack of business training; marketing and access to capital are the reasons for high failure rate among women entrepreneurs. Deborah Cain Good and Larry Mielnicki (1996) has access to financing and credit is one of the greatest challenge faced by business owners in start up and on-going management of entrepreneurial firm. A.S.Shiralashetti (2011) has suggested for making the terms and conditions of lending as borrowers friendly and simplification of procedural requirements without sacrificing lending criteria. They can create borrower's centric atmosphere in their working style as these entrepreneurs are women.

Objectives of the Study:

- 1 To know the problems faced by women entrepreneurs in districts of north Karnataka.
- 2 To provide solutions to the various problems faced by the women entrepreneurs.

Methodology:

The present study is based on primary and secondary data collected from 250 women entrepreneurs from five districts of north Karnataka namely Bijapur, Belgaum, Bagalkot, Dharwad and Gadag. The data thus collected were analysed by using statistical tools like classification, tabulation, and percentage to examine the problems of women entrepreneurs. The secondary data were collected from books, journals, newspapers and website to develop theoretical background of problems of women entrepreneurs.

Analysis of problems of women entrepreneurs:

Problems in the beginning:

To start and establish an industry the entrepreneur must be ready to take risk and face the uncertainty involved. Apart from this she has to face many problems in the initial stage.

The main problems mentioned by the entrepreneurs are lack of guidance on the type of line/in the production, excessive government control and procedures, shortage of capital, etc. To avoid a long list of problems entrepreneurs were asked to specify their problems under the title "other problems". Other problems mentioned by the entrepreneurs include shortage of electricity, labour, quality control, market and identity. One of the crucial factors that determines the success of any enterprise is the timely and sufficient availability of planned institutional finance. But the basic nature of the Indian Money Market being extremely tight it is very difficult for women entrepreneurs to make use of resources in these markets effectively.. Table No.01. Depicts that out of 250 entrepreneurs 229 entrepreneurs have mentioned shortage of capital as one of the major problems they face in the initial period. This problem has been ranked first and rated 40.46%. Women entrepreneurs are also facing a special problem that of offering suitable collateral securities against borrowings. Traditionally the assets of the family are usually deployed for the man of the house, (Father/Husband/Brother) with the result that women

Table - No.01

Ranking of problems faced by the entrepreneurs in the beginning

Problems	Ranking of Problems			Weighted Score	Rating (percent)	Rank
	First	Second	Third			
Lack of guidance on the type of line	60	87	66	420	29.91	2
Excessive government control and procedures	31	66	120	345	24.57	3
Shortage of capital	135	69	25	568	40.46	1
Others*	08	12	23	71	5.06	4
Total	250	250	250	1404	100.00	

Field Study

Other problems include electricity, Labour, Quality Control, Market, identity etc.entrepreneurs are left to find for themselves and continue to encounter the difficulties faced by first generation entrepreneurs, even when assets like jewellery, house, etc., may be in their name.

Another important problem is lack of guidance on the type of product line and it has been rated 29.91% and ranked second. This indicates that the women who belong to first generation entrepreneurs need guidance in selecting the project, product line, in getting finance, market information, etc. Out of 250 respondents, 213 entrepreneurs are facing the problem of lack of guidance in the infant stage. If they get proper guidance, they will be in a better position to face other problems.

Excessive government control and procedures themselves become a problem for the entrepreneurs in the beginning. This problem has been ranked third and rated 24.57%. Government's excessive control and procedures will make entrepreneurs to be more confused about their endeavour. As the entrepreneurs are already facing the problem of lack of guidance, if the government imposes several restrictions and insists that the entrepreneurs who have just entered the field should follow several procedures and formalities, these entrepreneurs naturally lose their interest and confidence. The problem of restricted supply of power is also acting as an impediment in their way. At the same time these entrepreneurs have to manage unskilled labour which leads to a further problem that of quality control and marketing of the products. The two problems go together because unless the labour is skilled, trained and experienced, one can not expect better quality products. If the entrepreneurs are not producing better quality products at a competitive cost, then they have to face the marketing problem. The cumulative effect of all these problems prevents them from securing an identity in the market.

Problem of Business Expansion : Women entrepreneurs are facing problems not only in the initial period but also during expansion of business. Entrepreneurs those who have expanded their units, and those who are interested in the expansion of units list several problems like government control, licence, finance, labour, market, raw-materials, etc. In the present study to avoid a long list of minor problems, the entrepreneurs were asked to specify them under the title 'other problems'. Other problems are family responsibility, personal, shortage of electricity, raw materials, etc. But some of the entrepreneurs have not mentioned any problems and they are working with full capacity. Table no.02 exhibits the list of problems anticipated by the entrepreneurs in expansion activities. Among the different problems anticipated by the entrepreneurs financial problem ranks first and is rated 38.00%. This indicates that financial problem is common among beginners and also among those who want to expand their line. If the unit is well established and if the entrepreneur is earning sound profits and if she has earned an identity in the market, then she can easily manage to get the loan; if not, she has to face the same problem which she had faced in the beginning. Secondly, a few entrepreneurs have anticipated labour problem and it has been rated 23.53% and ranked second. Labour problem involves labour absenteeism, lack of skill and training, demand for higher wages, job security, etc. These problems are experienced both in the beginning as well as in the expansion, as indicated by the entrepreneurs.

Another important problem, marketing of the products, is ranked third and rated 21.53%. At present almost all the entrepreneurs are facing problems in marketing their products due to competition. Entrepreneurs say that the degree of competition increases with the increase in production due to expansion and each and every entrepreneur will offer competitive price, in which case only a few can survive.

Table No.02
Entrepreneurs ranking of problems in business expansion

Reasons	Entrepreneurs Ranking of the Problem			Weighted Score	Rating (percent)	Rank
	First	Second	Third			
Government Control	13	10	17	76	5.07	5
Licence	03	08	07	32	2.13	7
Finance	125	83	29	570	38.00	1

Labour	60	54	65	353	23.53	2
Market	33	71	82	323	21.53	3
Materials	02	06	19	37	2.47	6
Others*	14	18	31	109	7.27	4
Total	250	250	250	1500	100.00	

* Other problems include family, personal, electricity, raw materials etc.

Fourthly, entrepreneurs have anticipated a few more problems like personal, family, shortage of power, raw materials, etc., which have been ranked fourth and rated 7.27%. Generally the women entrepreneurs have to hold a dual responsibility as an entrepreneur and as a house wife. There will certainly be several personal and family problems. At the same time, entrepreneurs experience problems in the supply of raw materials and power in the expansion activities. Followed by this, government control is ranked fifth and rated 5.07%. Entrepreneurs foresee problems like shortage of power and supply of raw materials because of government control and changes in government policy. Though they are interested in expanding their unit, their expectations about the short supply of power and raw materials may not permit them to undertake the work in practice. Raw material problems and government control are ranked sixth and seventh and rated 2.47% and 2.13% respectively. This indicates that while providing licences and permits to the people who supply raw materials and who purchase directly, several conditions will be imposed which make the entrepreneur to move from table to table. This usually keeps entrepreneurs in an embarrassing position. However a few among the 250 respondents are not expanding because their units are already working at full capacity.

Suggestions

1. A 'Women's Development Bank' can be started which would be a one-stop sop for women entrepreneurs where they could get all the required necessities - finance, data, know-how, market analysis, technologies, etc.,
2. The Government should provide marketing facilities to women entrepreneurs by organising buyer-seller meets at Taluk, District and State level, besides arranging organised participation by women entrepreneurs in international trade fairs.
3. A majority of the women entrepreneurs hardly make any effort to enter the market independently. So, a number of women entrepreneurs preferably with common interest or line of manufacture should form a consortium.
4. Entrepreneurial training programmes should impart skill in accordance with the prospective entrepreneur's education, personality and risk bearing capacity. Even after this if the women entrepreneurs are found to be passive in their activities and are used as facades, then the special incentives, concessions and subsidy given could be stopped at any stage of operation and their licences could be cancelled.

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