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## Challenges and Constraints Faced By Women Entrepreneurs in India: An Overview



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### Abstract

Entrepreneurship is considered as one of the vital factors contributing to the economic development. Entrepreneurship is necessary to initiate the process of employment in developing countries. At present, women entrepreneurship is increasing significance in India as an essential part of human resource which constitutes about half part of total human resources.

Women entrepreneurial activities are constrained by a mass of financial, economic and social factors that responsible for the situation and limit their capability to establish or expand their entrepreneur.

This paper focuses the status of women entrepreneurs in India. The study identifies the various challenges and constraints that women face in entrepreneurial activities and observes the role of Government for the growth of women entrepreneurship. The paper also suggests the ways for fostering environment for women entrepreneurs.

**Keywords:** Entrepreneurship, Economic Development, Human Resource, Entrepreneurs, Entrepreneurial Activities.

### Introduction

As women constitute almost half part of the population, socio-economic participation of women at the different frontages means using significant potential resources more efficiently. Women enter in entrepreneurial activities due to economic factors which pushed them to be on their own and urge them to do something independently. Women entrepreneurs not only contribute to the GDP and economic development, but also play a key role in addressing societal challenges. As a positive impact of globalization women entrepreneurs in India are being recognized and appreciated not just nationally but globally in the international sphere.

The number of women entrepreneurs in India remains relatively low. According to the World Bank latest report only one fourth of Indian women are working or actively looking for employment or entrepreneurship. The Indian development model has yet to fully incorporate the important role played by women for propelling the socio-economic growth of the country. In the words of Jawaharlal Nehru "You can tell the condition of a nation by looking at the status of its women." Thus Governments must understand that no nation can progress unless its women are given equal access to opportunities and adequate safety and security. In particular, women have faced a range of structural and social barriers in fully participating in the Indian economy, which not only hinders their individual agency but also limits India's ability to continue to modernize.

### Review of Literature

Many researches have been taken out on various issues of women entrepreneurs in India. Some of them are included in present review of literature.

Tambunan, Tulus, (2009) in his study, focused on small and medium women entrepreneurs, found that SMEs are gaining vast importance in Asian developing countries but the representation of women entrepreneurs in these countries is relatively low due to issues like low level of education, lack of capital and cultural or religious constraints.

Geetika et al. (2011) unveiled the underutilization of women human capital because of their overexposure to informal sector. Akhouri (2012) provided a road map to develop women entrepreneurship in India. Binitha. V. Thampi (January 2007) in his work attempts to understand the association between women's work and children's well-being in a specific

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social setting. The work also explains the relationship of women's work status on child well-being. Tanima Banerjee (2012) in her article tried to analyse the position and space Indian women occupy today. The study revealed that over the years women have made great advances in many areas with notable progress in reducing gender gaps, but still they have to travel a long way, and the men yet have to allow and accept the women to be equal participants in the country's way forward.

Ghani et al. (2013 and 2014) examined the status and role played by women entrepreneurs in India. Ghani et al. found that informal sector in India has exceptional persistence over the last two decades. Further, the study revealed that this informal entrepreneurship provides economic opportunities not otherwise present and an escape for some women from unpaid domestic work.

Satpal, Rathee and Pallavi (2014) in their paper on "Challenges faced by women entrepreneur in the present technology era" found that major problem in women entrepreneur development are social-culture barriers, male dominated society, low level of education, marketing and entrepreneurship skills.

Goyal and Yadav (2014) in their review of challenges faced by women entrepreneurs in developing countries like India reported that women in developing countries struggle to gain access to finance, face socio-cultural biases and experience low self-esteem and suggested that challenges of women entrepreneurs should be address in a comprehensive way in developing countries.

Deepa, Vinay, Divya Singh (2015) examined the Status and scope of women entrepreneur to identify the association between the human capital and self-employment among women and stated that self-employment offers women status and entrepreneurship skill that increases the wealth of the nation.

Danish Ahmed Ansari (April 2016) in his study titled "Women Entrepreneurship in India" identified that the growth of Women Entrepreneurship is not significant in India when compared with other countries and advocated that government and various administrative organizations should support women entrepreneur to resolve their problems.

Sourav Halar (2016) observed the entrepreneur behaviour of rural women engaged in bamboo and handicrafts business in Tripura and North East India and found in their study that the rural women entrepreneurs have high risk-taking capability and decision-making skill.

Dr. K.V. Soundararaja (2016) in his study on "Problems faced by the Women Entrepreneurs" recommended that women entrepreneurs should be given easy loan and credit with less financial assistance-procedure and should be motivated at college levels towards entrepreneurship.

Dr. Parul Sharda (2017) has made a study on "Need for Women Entrepreneurship in India".

The researcher aim is to identify the challenges that are faced by women entrepreneurs and their present scenario in India. Her research concludes that when women entrepreneurs become dynamic and have a leading edge there will be a positive impact on the society.

C.Uma and Dr. K. Jeyakodi (2017) in their paper titled "Women empowerment through entrepreneurship with special evidence from Tamilnadu rural areas" concluded that the motivational factors for women entrepreneurship

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should be much bigger and larger for women to enhance their entrepreneurial performance.

## Objectives of the Study

The study aims:

1. To analyze status of Women Entrepreneurs in India.
2. To identify the challenges and constraints faced by the women entrepreneurs.
3. To recognize the role of Government for the growth of women entrepreneurship.
4. To give recommendations for fostering environment for women entrepreneurs.

## Women Entrepreneurs and Their Status in India

Women Entrepreneurs may be defined as the women or a group of women who initiate, organize and operate a business enterprise. The Government of India has defined women entrepreneurs as

-An enterprise owned and controlled by women having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generated in the enterprise to women. As, the women entrepreneurial activity is lower, India has been unable to generate enough employment through entrepreneurship for women in the manufacturing and services sectors and nearly two-thirds of qualified Indian women, holding college degrees, are unemployed. This rate of unemployment is much higher than that in Bangladesh, Indonesia, and Brazil. The government sponsored development activities for women entrepreneurs have benefited, unfortunately only a small section of women i.e. the urban middle class women.

In 2013, gender-focused global entrepreneurship survey made by PC maker Dell and Washington based consulting firm Global Entrepreneurship and Development Institute (GEDI) and in the survey has categorized India as poor performing country in the field of women entrepreneurship. India ranks 16th out of the 17 countries surveyed. Even countries like Turkey,

Morocco and Egypt has been ranked above India. In the area of higher education Status of Indian women is below than most of countries in the world. In Indian economy, women's entrepreneurial participation is restricted in the large scale industries and technology based businesses but unfortunately, in small and medium scale enterprises (SMEs) the women-entrepreneurial activities is very low. Women owned only 10.11% of the micro and small enterprises, out of them only 9.46% were managed by women, as per the third all-India census of Small Scale Industries. A number of women operating enterprises is increasing not only at national level but also at international level but huge obstacles, lack of capital, strict social constraints, limited time and lack of skill, shrinkage the growth of their businesses.

In the present era of economic Liberalization and Globalization, women entrepreneurship is achieving importance in Indian economy. For women entrepreneurship development, the Government of India has introduced National Skill Development Policy and National Skill Development Mission in order to provide skill training, vocational education to the emerging work force of women. The increasing presence of women in the business field as entrepreneurs has changed the demographic characteristics of business and economic growth of the country. Women-owned businesses enterprises are playing a more active role in society and the economy.

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### **Challenges and Constraints Faced by Indian Women Entrepreneurs**

Women entrepreneurial activities are constrained by a mass of factors. The factors such as limited availability of information, gender based notions and social norms are responsible for the situation where women only identify with very few business ideas. In India, a woman entrepreneur also finds it difficult to register and establish her business and also to arrange the required finance to setup businesses.

Women sector occupies nearly 45% of the Indian population and Women entrepreneurs has vast prospective and opportunities in present scenario in India but women face many financial, economic and social restrictions that limit their capability to expand their businesses. Indian society has seeped the social stigma, and it starts at home where a woman does not have the choice of delegating work to anyone. They often carry this into the workplace, and take on too much of work rather than find the best person there to get the job done. This makes them invest more energy working in their business, as opposed to on their business.

India still remains largely male-controlled society and there's no escaping it. Women entrepreneurs will constantly have to battle male egos and mental barriers. Entrepreneurship in business has long been a male bastion, and the idea of women going toe to toe with them won't sit well always. The larger no of women often do not own property or on occasions, do not even have a bank account to their name. Male members of the family, meanwhile, do not always want to invest their capital in businesses run by women due to a lack of confidence in their ability to run the venture successfully. Most of the women entrepreneurs end up failing due to lack of proper financing. Marketing and financial problems are such obstacles where even training does not significantly help the women.

Women are stereotyped to be minor and weak, always looking up to men for help. Men everywhere will try to make them feel that way too, especially if they sense competition. And men will try to use that one aspect that they feel commands power in this world, power itself, to have their way. This is where women need to tap into their core strengths, patience, and perseverance and turn a deaf ear towards all biases.

### **Needs and Expectations from The Government For Promoting Women Entrepreneurship**

In terms of regulatory, promotional and credit for entrepreneur, numerous policy initiatives have been taken by the government but rare such schemes are specifically for only women entrepreneurs. The Government of India has passed the National Policy for the Empowerment of Women and several schemes and plans for the inspiration of women entrepreneurs have been launched but their implementation at different phases has been lagging and the effect on grass root women entrepreneurs to be thoroughly evaluated and examined.

Following steps should be taken by Government for betterment of the women entrepreneurs:

1. Policies to facilitate income tax rebates and tax reliefs to women entrepreneurs should be introduced.
2. The impact of Women entrepreneurs related policies should be periodically evaluate on the success of women-owned enterprises.
3. Government should establish amenities for women entrepreneurs in industrial areas such as easy

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mobility and proximity to residential areas with regular bus service, child-care facilities, etc.

4. Governments should assist women entrepreneurs to participate in international, national and local trade fairs, exhibitions and conferences.
5. Attempts to spread information about policies, plans and strategies on the development of women in the field of industry, trade and commerce should be supported.
6. The procedures and formalities for registration of business, financial and legal assistance, subsidies, concessions and relief should be simplified from different government departments.
7. Governments should ensure the adequate availability of trained workers; upgrade the skills of those already in the Micro, Small & Medium Enterprises (MSME) sector. Transfer of technology from the research institutes to the entrepreneurs should be ensured. It would be more appropriate for women entrepreneurs.
8. Government should create "single window" for government services, schemes and programs for women entrepreneurs. Subsidies and working capital assistance should be offered to women-owned Micro, Small & Medium Enterprises. Provision of micro credit system should be made for women enterprises so the weaker section could raise funds through various schemes and incentives provided by the government to develop entrepreneurs.

### **Recommendations for Fostering Environment for Women Entrepreneurs**

In India, facilitating and increasing women participation in economic activities through entrepreneurship is a national priority but there is no enabling environment for women entrepreneurs still yet. Women entrepreneurs need efforts to be substantiated and strengthened. For fostering an empowering environment, for women entrepreneurs, some major recommendations are as follows:

1. There is a need for greater efforts to increase consciousness of present regulations, and support mechanisms. Periodic open forums of different regulatory departments such as excise, license, registrar, industrial schemes, tax departments, and directorate of industries should be broadly circulated among women entrepreneurs to create conducive environment.
2. Training institutions should look ahead and provide training for their staff, update their curricula, and facilities in line with the times and to better meet pressing and evolving demands.
3. Sector wise support should be created for women entrepreneurs, with focused strategy of intervention, after identifying the main constraints for a specific sector.
4. Banks and other financial institutions should offer outstanding financial schemes for women entrepreneurs and spread wider awareness among women about such schemes.
5. Banks should set quotas to women entrepreneurs for lending, as well as guarantee scheme. Banks should help women entrepreneurs to develop project.
6. Having a bank account should be made mandatory for every woman; it will make them eligible for bank loans in the future. Women business loans should

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- have lower interest rates and regulations need to be simplified
- Marketing assistance should be developed by promoting linkages between women enterprises of various sizes. Quota in government purchase with minimum percentage and margins in auctions to women should be given.
  - Access to Infrastructure must be accompanied by policies that encourage women to engage in income-generating activities, including education and training. Government can set some priorities for women entrepreneurs for allocation of industrial plots, sheds and basic infrastructure and amenities. Waiver on stamp duty and registration charges for women on their properties should be offered.
  - Women must be educated and trained to acquire the skills and knowledge in all the functional areas economic activities. Skill development should be done in women's polytechnics and industrial training institutes.

#### Conclusion

India has undergone substantial changes in the last two decades and has experienced rapid economic growth but participation of women in economic activities is very low. Women entrepreneurs face at the conception, inception and operation phases of setting up an enterprise structure. If good credit policies, needed training programmes, market and investment information, management skills and competencies are provided to women, these difficulties can be solved and woman entrepreneurs will be encouraged for setting up enterprises.

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