

Women Entrepreneurship: Issues and Challenges

Abstract

The aim of this paper is to present the issues and challenges faced by women entrepreneurs. As per the 3rd edition of the MasterCard Index of Women Entrepreneurs (MIWE), 2019, which focuses on assessment of government programmes in 58 countries w.r.t overcoming the challenges faced by women entrepreneurs, India has been consistently ranked among the worst performing countries at 52nd position, with no change for the past 2 years, significantly lagging behind countries such as USA (ranked 1st) and China (ranked 6th). According to the report, despite witnessing promotion of women entrepreneurship through a spectrum of government initiatives and schemes, the situation in India still remains that out of every 100 business owners, only 7 are female.

Keywords: Entrepreneurship, Women.

Introduction

Entrepreneurs play an important role in socio-economic well-being of the country. They determine the needs of the business. They are the trendsetters, agents and risk-takers of the company. Today business is built around human resources and women are one of the valued factors. Globalization and Liberalization of the market stimulated women to come forward to become an entrepreneur and start new businesses. Women have been taking interest in income producing activities and self-employment in recent years. This is seen in respect of all kinds of women both in urban and rural areas. Since years India has been male-dominated country. But, time is changing now. Women in India have been outraged at the fact that for hundreds of years they had been following the orders of men. They now know their rights and duties. With the increasing awareness amongst the women, they are now no less than the men. In the process of entrepreneurship, women have to face various problems related with entrepreneurship.

Women in India create a larger proportion of the total unemployed population. They feel frustrated at times because they need to spare their time and energy towards their business and domestic affairs. Understanding the need for training, the government started several programmes. Educated Women is contributing to a great extent to social change and in the future, we will see more women offering into areas usually dominated by men. Today, many women have established their own business empire. The hidden entrepreneurial abilities of women have progressively been changing with the growing status in the society. Skill, knowledge and adaptability in business are the main reasons for women to emerge into business undertakings.

Objective of the Study

1. To determine the marketing and financial restrictions faced by women entrepreneurs.
2. Assessment of their family restrictions and health status.
3. To plan the management training and development needs of women entrepreneurs.
4. To provide access to the latest expertise.
5. To help women entrepreneurs to get understanding of the national and global business environment.
6. Support in the identification of investment prospects.
7. Suggest way of dealing with their difficulties in achieving their career goals.
8. Consideration for an entrepreneurial career among young women who have not sized it up.
9. Make women more self-confident about their professional path.



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10. To develop a comprehensive vision to see the business as a whole and to integrate his function with it.

Challenges Faced By Women Entrepreneurs

Some of the challenges and problems faced by women entrepreneurs are discussed below.

Lack of Finance

Finance is the major problem faced by women entrepreneurs. Both family and government organizations should be liberal in providing financial support to them. Financial Institutions do not consider Women Entrepreneurs as proper applicants for setting up their projects and they are hesitant to provide financial assistance to them.

Stiff Competition

Women face a lot of competition from men. Due to limited mobility they find it difficult to compete with men. To enter a field which has been dominated by males, is a depressing task for women. Men have also ruled over the marketing for many years that is why women find themselves lagging behind in this area.

Family Restriction

Women are expected to devote more time with their family members. They do not encourage women to travel far for business prospects.

Mobility

Moving all over the market, is a tough job for Middle Class Women Entrepreneurs. Many women entrepreneurs are unable to travel as they are restricted by their own family members. The situation of the Indian environment and inability to drive vehicles are some of the main causes.

Lack of Education & Training

Training and Education has to be given to women who are still hesitant to take up the entrepreneurial risk. In India, around three-fifths (60%) of women are still illiterate. Due to the lack of education, women are not aware of business, technology and market knowledge. Thus, lack of education and training creates problems for women in the setting up and running of business enterprises.

Lack of Practical Experience

Women don't get the practical exposure as compared to men, which leads to no entrepreneurial mind in them. Many women lack entrepreneurial skill due to practical knowledge. This can be enhanced by attending seminars, workshops and conferences meant for their business. Every women entrepreneur should gain some experience in the field before they project into it. This will help them get some acquaintance and give them a better perspective of the situations that they may encounter in their entrepreneurial journey.

Lack of Persistent Nature and Mental Strength

Women generally have sympathy for others. They get very emotional. Business involves threat. Women entrepreneurs get disappointed very easily when loss arises in business.

Loan Schemes of Govt. of India for Women Entrepreneur

Women Entrepreneurs can be seen in the start-up system of India. Women are seen leaving their prestigious jobs and stepping out of the four

walls of their homes and joining the group of Entrepreneurship in India. The major factor to start-up the entrepreneurial journey is wealth and many banks offer loans for women entrepreneurs that have a flexible set of terms and conditions concerning security and interest rates.

Here is a list of various loans schemes absolutely for women that aim at promoting and helping the process for them –

Bharatiya Mahila Bank Business Loan

This loan is supporting growing women entrepreneurs looking to start new projects in the fields of the retail sector and loan against property. The maximum amount under this loan goes up to ₹ 20 crores in case of manufacturing industries. A concession is available to the range of 0.25% on the interest rate and interest rates range from 10.15% and higher. Under the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), there is no requirement of collateral security for a loan of up to ₹ 1 crore.

Dena Shakti Scheme

This scheme is provided by Dena bank to women entrepreneurs in the fields of manufacturing, agriculture, retail stores, micro-credit, or small enterprises; who are in need of financial support. The interest rate is decreased by 0.25% if the loan amount being ₹ 20 lakhs for education, trade and housing whereas ₹ 50,000 under the microcredit.

Cent Kalyani Scheme

This scheme is offered by the Central Bank of India with the aim of supporting women in opening a new project or expanding or amending the present enterprise. This loan can be availed by women who are involved in village and cottage industries, micro, small and medium enterprises, self-employed, agriculture, retail trade and government-sponsored programs.

This scheme requires no collateral security or guarantor and charges no processing fees. The maximum amount that can be granted under the scheme is one crore.

Mahila Udyam Nidhi Scheme

This scheme is offered by Punjab National Bank with the aim to support the women entrepreneurs involved in the small scale industries by granting them easy loans that can be paid over a period of 10 years. Under this scheme there are different plans for beauty parlors, day care centres, purchase of auto rickshaws, two-wheelers, cars, etc. the maximum amount granted under this scheme is ₹10 lakhs and the interest rates are subject to the market rates.

Mudra Yojana Scheme for Women

This scheme has been offered by the Govt. of India for specific women wanting to start small new businesses like beauty parlors, tailoring units, tuition centres, etc. or by a group of women wanting to start a project together. The loan doesn't require any collateral security and can be availed as per 3 schemes –

1. Shishu – loan amount is limited to ₹ 50,000 and can be availed by those businesses who are in their initial stages.

2. Kishor – loan amount ranges between ₹ 50,000 and ₹ 5 lakhs and can be availed by those who have a well-established enterprise.
3. Tarun – loan amount is ₹ 10 lakhs and can be availed by those who are well established enterprise but need further funds for the purpose of expansion.

When the loan is approved, a Mudra card will be given to you which functions the same way as a credit card, however the money available is limited to 10% of the loan amount approved to you.

Orient Mahila Vikas Yojana Scheme

This scheme is provided by Oriental Bank of Commerce to those women who hold a 51% share capital individually or jointly in a proprietary concern. No collateral security is required for loans of ₹ 10 lakhs.

Overcoming the Challenges

In a business, failure doesn't see gender, it's always unavoidable. The best anyone could do is to learn from their mistakes and rise above them. In the words of Jennifer Kent, Founder of the Guava Project, "Instead of waiting to get over your fears, recognize them, manage them and grow from those experiences".

Financial Cells

A large number of finance cells may be opened to provide easy finance to women entrepreneurs. These cells should provide finance to women entrepreneurs at low rates of interest and on easy repayment facilities.

Marketing Co-operatives

Marketing cooperatives should be established to encourage women entrepreneurs. Government should give preference to women entrepreneurs while purchasing their products. This will help in eliminating the middlemen.

Supply of Raw-Materials

The necessary raw-materials should be made available to women entrepreneurs on priority basis and at concessional rate.

Educational and Awareness

The educational and awareness programmes should be arranged to change the social attitudes towards women. The attitude of elders needs to be changed about the potential of girls and their due role in society.

Training Facilities

Training and developments programmes play a very important role for the development of

entrepreneurship. Special training schemes should be designed so that women can get full advantages.

Team Building

Many female entrepreneurs try to handle every aspect of the business alone. Women think they can do it all themselves, and aren't thinking about team building.

Build Relationships

Women often try to build relationships with prospective clients or customers, which can set themselves up for disappointment.

Conclusion

Being successful in business requires maintainable business practices which represent the best blend of entrepreneurship and innovation. Entrepreneurship by itself entails significant challenges and responsibilities and also presents the potential for significant rewards. That being said, it is also essential to point out that there are significant gender differences and social conventions at play which become discriminating factors in the challenges faced by men and women. Overcoming these requires an integrated effort on part of society, family, governments and for some part, the individuals themselves.

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