

Women Entrepreneurship in India - Present Status and Problems

Chetna Bisht

Associate Professor,
Dept. of Economics
D.B.S. (P.G) College,
Dehradun, Uttarakhand,
India

Paritosh Singh

Assistant Professor,
Dept. of Sociology
D.B.S. (P.G) College,
Dehradun, Uttarakhand,
India

Abstract

In the words of Former 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.

The term "Women Entrepreneurship" refers to an act of business ownership and business creation that empowers women economically increases their economic strength & position in society.

In India, though women have played a key role in the society, their entrepreneurial ability has not been properly tapped due to the lower status of women in the society. Indian society is traditionally deep rooted, in this society female is considered as a subordinate. But as the economy develops female literacy rate increases, women become more confident she do not want to limit their lives in the four walls of the house. They demand equal respect from their partners. This social transformation in terms of increased educational and financial status brings drastic change in the women's life. The number of women entrepreneurs is increasing all over the world but the entrepreneurial ventures in developing countries like India are quite low compared to the developed countries. Women entrepreneurship is growing at a faster pace in countries like U.S, U.K and Canada. So, it is the right time to analyze the present status & challenges faced by them which are responsible for their slow progress.

The present paper focuses on the concept of women entrepreneur, the factors which motivate women to start their own venture, the status of women entrepreneurs, problems faced by women entrepreneurs in India and suggestions for the growth of women entrepreneurs.

Keywords: Women Entrepreneur, Entrepreneurship.

Introduction

The origin of the basic word "entrepreneurship" is from a French word "Entree" "To enter", and "prendre" "to Take" and in general sense applies to any person starting a new projects or trying a new opportunity.

'Entrepreneurship is the professional application of knowledge, skills and competencies. and /or of monetizing a new idea, by an individual or a set of people by launching an enterprise de novo or diversifying from an existing one, thus to pursue growth while generating wealth, employment and social good'. (National Knowledge commission 2008). The economists view him as a fourth factor of production along with land labour and capital. From the perspective of economic functions, three crucial characteristics of entrepreneurial activity are: risk taking, innovation and venturing in to new business activities for profit.

For developing country like India Entrepreneur is the core of economic development because job opportunities are not increasing due to which India is facing the problem of Unemployment and Poverty.

Women Entrepreneur

The Government of India has defined women entrepreneurs as "an enterprise owned and controlled by women having a minimum financial interest of 51 percent of the capital and giving at least 51 percent of the employment generated in the enterprise to women."

Women entrepreneurs may be defined as a "Woman or a group of women who initiate, organize and run a business enterprise". So Women Entrepreneur is a person who accepts challenging role to meet her personal needs and become economically independent.

In India due to patriarchy system development of women entrepreneurs are very low. But after Globalization and Liberalization of

economy women are coming forward. They are getting educated and are becoming successful entrepreneurs in a field like Fashion designing, exporters etc. No doubt they have to go a long way to achieve this status of equality.

Objectives and Research Methodology

During the last two decades, increasing numbers of Indian women have entered the field of entrepreneurship. But still the development of women entrepreneurs in developing countries like India is quite low compared to the developed countries. Women entrepreneurship is growing at a faster pace in countries like U.S, U.K and Canada. So, it is the right time to analyse the present status & problems faced by them which are responsible for their slow progress.

The study is based on secondary data collected from the published reports of ESCAP, SSI Reports, newspapers, journals, websites, Report of MSME etc. The study intended to throw light on the following issues:

1. To analyse present status of Indian Women Entrepreneurs.
2. To evaluate the factors which encourages women to become entrepreneurs.
3. To study the major problems faced by the women entrepreneurs.
4. To draw Conclusions and Suggestions

Present Status of Indian Women Entrepreneurs

Present status of Indian Women Entrepreneur will be analysed under following headings:

1. Status of women entrepreneur across the world
2. Total number of registered Women entrepreneurs in India

3. Ownership by gender of owner
4. Trends of Women entrepreneur in India
5. Sectoral breakdown of Entrepreneurs with workers in 2011 according to Gender

Status of Women Entrepreneur across The World

In India it has been increasing continuously. In 1970-71 the percentage of women work participation in India was 14.2%, it increased to 31.6 percent in 2010-11 (Table-3.1). But it is still less in comparison to other countries.

Table-3.1

Status of Women Entrepreneur Across The World

Country	Work Participation Rate In Percentage
INDIA	31.6
USA	45
UK	43
CANADA	42
INDONESIA	40
FRANCE	38
SRI LANKA	35
BRAZIL	35

Source-World Bank Report 2010-11

Total Number of Registered Women Entrepreneurs in India

Table 3.2 clearly shows that the Uttar Pradesh with 39.84% followed by Gujarat, Kerala and Punjab are some states with high involvement in women entrepreneurship. On an average the women entrepreneurship position in selected states of India is above 30 percent except Bihar where the registered women entrepreneur are only 15.04 percent.

Table-3.2

Total Number of Registered Women Entrepreneur In India

States	No of Units Registered	No. of Women Entrepreneurs	Percentage
Tamil Nadu	9618	2930	30.36
Kerala	5487	2135	38.91
Punjab	4791	1618	33.77
Maharashtra	4339	1394	32.12
Gujarat	3872	1538	39.72
Karnataka	3822	1026	26.84
Bihar	7344	1123	15.04
Madhya Pradesh	2967	842	28.38
Uttar Pradesh	7980	3180	39.84
Other States & Uts	14576	4185	28.71
Total	64796	19971	32.82

Source: CMIE Report 2011

Ownership by Gender of Owner

Ownership by gender of owner will be studied under two headings firstly by area and secondly according to sectors.

Percentage Distributions of Enterprises by Gender of Owner in Rural and Urban Areas

Table 3.3 (A) clearly depicts that the proportion of women managed enterprises is slightly higher in rural areas as compare to urban areas.

Table-3.3a

Distribution of Enterprises by Gender of Owner in Urban And Rural Areas (In %)

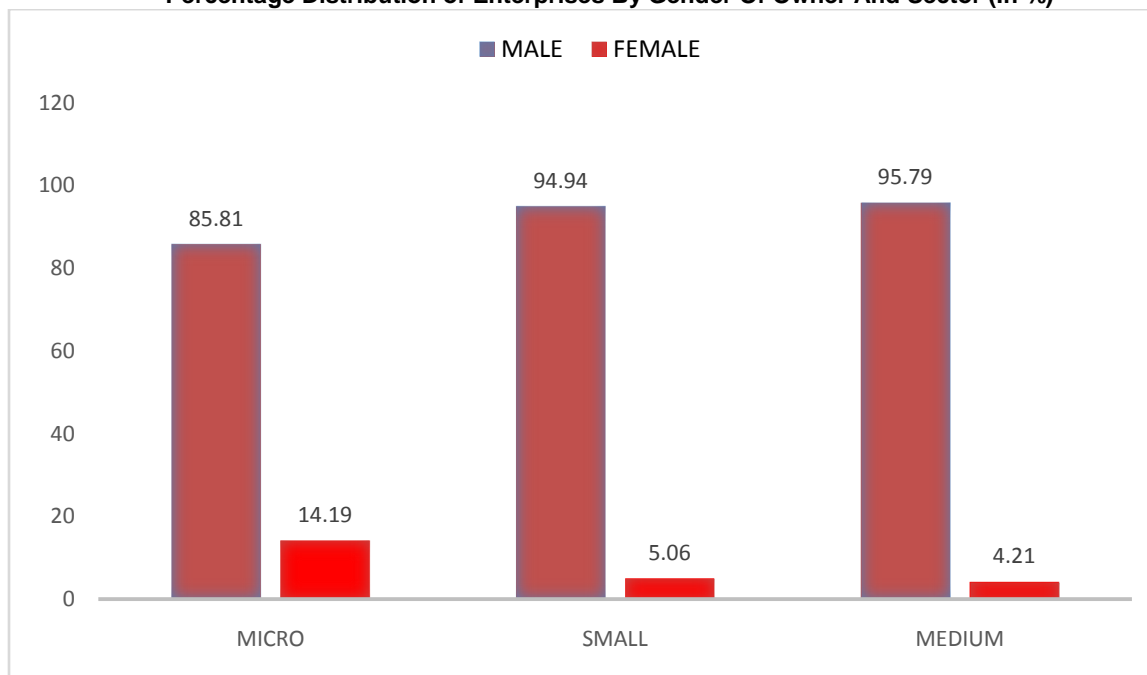
Area	Female	Male
Rural	15.27	84.73
Urban	12.45	87.55
All	13.72	86.28

Source: MSME Annual Report 2011-12, Ministry of MSME, Government of India

B. Percentage Distribution of Enterprises By Gender of Owner and Sector

Figure : 3.3 B

Percentage Distribution of Enterprises By Gender Of Owner And Sector (In %)



Source: MSME Annual Report 201-12, Ministry of MSME, Government of India

Above Figure shows the dominance of males in ownership in each of the three segments of MSME sector. Most of the women enterprises are Micro Enterprises with 14 percent share in total share of women enterprises. In small and medium segment, it is only 5 percent and 4 percent, respectively.

Women Entrepreneurs in India: Recent Trends

The number of Women entrepreneurs has doubled over the past ten years to about 10 million outside the agricultural sectors (Table-3.4) mostly due to the rise in enterprises without hired workers. Their share rose in all sectors, and women now account nearly half of total entrepreneur without workers in manufacturing. In services and trade their shares have also grown but remained modest at about 10 percent of total.

Table-3.4

Women Entrepreneurs In India-Recent Trends

	Women Entrepreneurs In % Of All Enterprises			Count In Thousands		
	2000	2005-06	2010	2000	2005-06	2012
Entrepreneur with Workers						
MANUFACTURING	6	6	5	113	148	148
TRADE	4	NA	3	76	na	81
SERVICES	6	8	6	95	158	188
Entrepreneur without workers						
MANUFACTURING	29	43	46	3448	6129	6542
TRADE	6	NA	10	945	NA	1770
SERVICES	6	9	8	598	1153	1282

Source: Various NSSO rounds

Sectoral Breakdown of Entrepreneurs (With Workers) In 2011

Table 3.5 shows the sectorial breakdown of entrepreneurs with workers according to gender. It clearly depicts that Women entrepreneur with workers are mostly active in services, followed by manufacturing and trade. This sectoral breakdown

shows that there are large differences between female and male activities. Except retail sector nearly half of the female entrepreneurs with workers operate in sectors which are traditionally female sectors for example Education, Beauty parlour, health, household maintenance etc. In compare to this male entrepreneur are active in more diverse activities.

Table-3.5
Sectoral Breakdown of Enterprises (With Workers) In 2011

Rank	Female Entrepreneurs		Male Entrepreneurs	
	Sector	In % of the total	Sector	In % of the total
1	Retail trade, except of motor vehicles and motorcycles	17	Retail trade, except of motor vehicles and motorcycles	22
2	Manufacture of wearing apparel	14	Wholesale trade, except of motor vehicles and motorcycles	7
3	Education	12	Food and beverage service activities	7
4	Other personal service activities	11	Land transport and transport via pipelines	7
5	Human health activities	9	Manufacture of wearing apparel	5
6	Manufacture of textiles	6	Manufacture of food products	5
7	Food and beverage service activities	6	Wholesale and retail trade and repair of motor vehicles and motorcycles	5
8	Manufacture of food products	4	Manufacture of textiles	4
9	Wholesale trade, except of motor vehicles and motorcycles	3	Manufacture of fabricated metal products except machinery and equipment	3
10	Manufacture of wood and products of wood and cork, except furniture	2	Education	3
	Total top ten sectors	83	Total top ten sectors	69

Source: NSSO 67th 2010-11

Factors Influencing Women Entrepreneurship

There are certain Push and Pull factors which encourages women to become an entrepreneur.

In PUSH Factors there is a presence of "Need or Necessity" such as

1. Insufficient Family Income
2. Family occupation
3. Dissatisfaction with salaries job
4. Difficulty in finding any work
5. Need of flexible work schedule because of family responsibilities

In PULL factors there is a presence of some 'Motivational Factors' such as:

1. Desire to prove their personalities in an innovative, daring and competitive job.
2. To give bright future to their wards
3. Success stories of friends and relatives
4. To generate Employment opportunities
5. Desire of freedom for taking decision and become independent
6. Education and Qualification
7. To improve social status
8. To take benefits from various Government policies and procedures for eg. Introduction of attractive incentives and subsidies

Main Problems of Women Entrepreneurship in India

Table -5.1
Problem Faced By Firms In 2011

Problems Faced Over The Past Year	In % Of All Proprietorships Owned By Women		
	All Firms	Firms with at least one hired worker	Firms without hired workers
Erratic power supply/power cuts	3	9	3
Shortage of raw materials	3	2	3
Shrinkage /fall of demand	9	6	9
Non-availability/High cost of credit	5	4	5
Non-recovery of financial dues	5	6	5
Non-availability of labour as and when needed	0	6	0
Labour disputes and related problems	0	1	0
Other Problems	8	7	8

Source-NSSO 67th 2010-11

Problem Faced By Women Entrepreneurs In India

There are some problems or challenges for Indian Women Entrepreneur which causes low development of women entrepreneur in India. In this section we will study those problems which are encountered by women entrepreneur in India.

Above table-5 shows the main problem confronted by female entrepreneur.

Complexity of Administrative Process

Table 5.2 depicts the number of procedures, days and cost involved in formalizing a small or medium enterprise in selected countries. It clearly shows the complexity of administrative

processes in India relative to the China, Indonesia, and Malaysia.

TABLE-5.2

Country	Procedures (Number)	Time (Days)	Cost (Percent of Income per capita)
CHINA	13	33	2.1
INDIA	12	27	49.8
INDONESIA	9	47	22.7
MALAYSIA	3	6	15.1

Sources-World Bank an International Finance Corporation, Ease of Doing Business

Problem in Accessibility of Government

Entrepreneurship Support

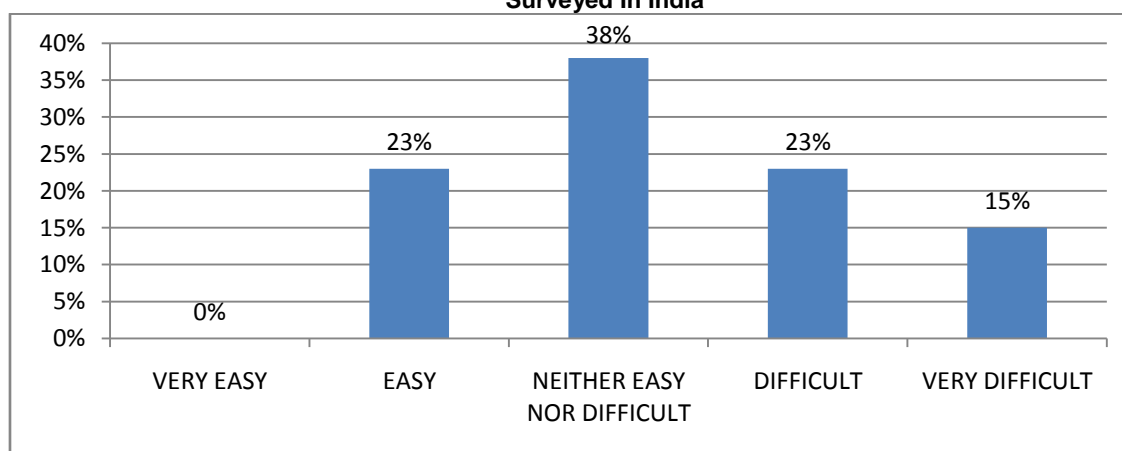
Schemes by Women Entrepreneur

As indicated in Figure- 5.1, 38 per cent of women entrepreneurs rated accessing government

support schemes as either “difficult” or “very difficult” and 38 per cent found the process of accessing Government Schemes neither easy nor difficult.

Figure-5.1

Perceived Accessibility Of Government Entrepreneurship Support Schemes By Women Entrepreneurs Surveyed In India



Source-International Centre for Entrepreneurship and career Development (ICECD)

Lack of Education

Due to lack of proper education they are not aware about the Development of new technology, new methods of production and marketing.

Gender Inequality

Indian society is a patriarchy society. There is a discrimination against women in India. Women are considered as a weaker sex. This in turn, serves as a barrier to women entry into business.

Family Ties

Indian women give more emphasis to family ties and relationship. Moreover in India, it is mainly women’s duty to look after the family member’s.

Legal Formalities

Due to lack of legal knowledge women entrepreneur face difficulty while fulfilling the legal formalities required for running an enterprise.

Low Risk Taking Ability

In India women lead a protected life this reduces their ability to bear risk involved in running an enterprise. But risk bearing is an essential pre-requisite of a successful women entrepreneur.

Marketing Problem

Women face a serious problem while marketing their products. Firstly Women entrepreneurs often depend upon the middlemen for marketing their products who exploit the women entrepreneurs. Secondly the cost of advertisement is too heavy, and finally, they are untrained when it comes to salesmanship and marketing techniques.

Lack of Confidence

Because of above mentioned problems the women entrepreneur lack self-confidence, which is essentially a motivating factor for the success of an enterprise.

Conclusions and Suggestions

India is a developing country. Above study clearly shows the contribution of women entrepreneur in the development process of an economy. But their share is too diminutive. In India the status of women is subordinate to male member, she is socially as well as economically dependent on male member whether it is brother, father or husband. Due to patriarchy society and social customs women are lagging behind the men and because of this socio-economic environment they are facing lots of problem. At this moment government should take initiatives to promote women entrepreneur, which is possible only by enhancing their skills and by spreading awareness so that they realise their strength and their importance for an economy and most important their position in the society. In this way not only we can encourage the development of women entrepreneur but we can also solve the biggest problem of India i.e. Unemployment and poverty.

The following measures are suggested for the development of women entrepreneur to empower them so that they can easily tackle the challenges

they faces in establishing any new start up as well as in operating stage.

1. Before creating the opportunity for women entrepreneurship there is a need of major change in society's traditional negative attitude. So an educational and awareness programme should be arranged to change the negative social attitude towards women.
2. Women entrepreneur should be offered soft loans and subsidies for encouraging them in to industrial activities. The financial institutions should provide more working capital assistance both for small scale and large scale ventures.
3. International, National, Local trade fairs, Industrial exhibitions, seminars and conferences should be organised to help women to facilitate interaction with other women entrepreneurs.
4. There should be continuous attempt to inspire, encourage, motivate and co-operate women entrepreneurs. An awareness programme should be conducted on a mass scale with the intention of creating awareness among women about the various areas to conduct business.
5. Training programme play very essential role for the development of women entrepreneur, so attempt should be there to organize training programmes to develop professional competencies among women entrepreneurs.
6. Regular Supply of raw –material should be made to available to women entrepreneurs at priority basis and at concessional rate.
7. To remove psychological constraints like lack of self- confidence and fear of success, counselling through the aid of committed NGOs, psychologists, managerial experts and technical personnel should be provided to existing and emerging women entrepreneur.

References

- Behara Sreenivasan Rao, Niranjana.K,"Rural Women Entrepreneurship in India",IJCEM International Journal of Computational Engineering & Management, Vol.15 Issue6,November 2012ISSN(Online):2230-7893
- Dr Vijay kumar,S.Jayachitra,"Women Entrepreneurs in India-Emerging Issues and Challenges",

International Journal of Multidisciplinary Research Vol.1 Issue Sep2011,ISSN 2231 5780 .

Enabling entrepreneurship for women's Economic empowerment,UNITED NATION'S Economic and social commission for Asia and the pacific(ESCAP).

Daymard Arnaud,"Determinants of female entrepreneurship of India", Organisation for Economic Co-Operation and Development, Economics department working papers No.1191,Mar 2015.

Goyal Meenu, Prakash Jai,"Women entrepreneurship in India- Problems & Prospects",ZENITH International Journal of Multidisciplinary Research Vol.1 Issue 5,Sep 2011,ISSN 2231 5780

Kain Dr.Poonam ,Sharma Meenakshi,"Women Entrepreneurship Education need for today",Apeejay-Journal of Management and Technology,Oct-2013.

Maradi Mallikarjun ,Dasar Paramanand,"The Strategic role of women entrepreneurship with reference to Indian Economy:Hurdles and Empowerment",Global Journal of Management and commerce perspective,ISSN 2319-7285, Vol.2(1) 2013,pg no 62-66.

National knowledge commission of India, "Entrepreneurship in India",2008.

Padhi Priyadarsini, Pandhy Anshuman."Women Entrepreneurship in India: Present status, Problems and Prospects",International Journal of Scientific Research and Management Studies (IJSRMS) ISSN:2349-3771 Volume 1 Issue 3,pg:72-79.

Shah Hina," Creating an enabling environment for women's Entrepreneurship in India", UNITED NATION'S Economic and social commission for Asia and the Pacific(ESCAP)

Singh Anjali,"Role of women entrepreneurs in India:A SWOT Analysis",InternationalJournal of Management and International Business studies,ISSN 227-3177 Vol 4,No 2(2014),pp.231-238.