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## **Obstacles and opportunities of women entrepreneurs in India**

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### **Abstract**

In India, women are exploring new avenues of economic participation and find entrepreneurship as one of the ways to be successful personally and financially. Women entrepreneurship is an important phenomena, as there is a constant need to utilize the skill of entrepreneurship among women for economic development and empowerment. This paper touched upon the areas of meaning and concept of women entrepreneurship in India, obstacles of women entrepreneurs, function of women entrepreneurship and opportunity recognition in development arena. The purpose of this paper is to find out various motivating and demotivating, internal and external factor of women entrepreneurship. It is an attempt to suggest the way of eliminating and reducing hurdles of women entrepreneurship development in India.

The present paper will also go over the top government initiatives to grow their businesses as female entrepreneurs.

**Keywords:** Entrepreneurship, empowerment, economic development

### **Introduction**

Entrepreneurship is considered as a vital ingredient for not only globalization but at the same time creating diverse opportunities for future potential performers. The origin of the basic word 'Entrepreneurship' is from a French word 'Entree' to enter and 'Preneur' to take and in general science apply to any person starting a new project or trying a new opportunity.

In the era of liberalization, privatization, and globalization along with the ongoing IT revolution, today's world is changing at a surprising pace. Political and economic transformation appear to be taking place everywhere and create opportunities for women who want to own and operate business.

Today, women entrepreneurs represent a group of women who have broken away from the beaten track and are exploring new avenues of economic participation. Among the reasons for women to run organized enterprises are their skill and knowledge, their talents, abilities and creativity in business and a compelling desire of working to do something positive. It is high time that countries should rise to the challenges and create more support systems for encouraging more entrepreneurship amongst women. At the same time, it is up to women to break away from stereotyped mindsets.

In this dynamic world, women entrepreneurs are a significant part of the global expeditions for sustained economic development and social progress. Due to the growing industrialisation, urbanization social legislation and alongwith the spread of higher education and awareness, the emergence of women owned business are highly increasing in the economy of almost all countries.

Indian women have gone a long way and are becoming increasingly visible and successful in all spheres and have shifted from kitchen to higher level of professional activities. Today's women are taking more and more professions and technical degrees to cope up with market needs and are flourishing as designers, interior decorators, exporters, publishers, garment manufacturers and are still exploring new avenues of economic participation. It is perhaps for these reasons that government bodies, NGO's, social scientists, researchers and international agencies have started showing interest in the issues related to entrepreneurship amongst women in India.

Women entrepreneurs explore the prospects of starting a new enterprise, undertake risks, introduce new innovations, coordinate administration and control of business and provide effective leadership in all aspects of business and have proved their merit in the male dominating business arena.

This paper focuses on the concept of women entrepreneurs in India.

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### Role of women as an entrepreneur

Considering the flow of women entrepreneurs in the traditional industries, it is often criticized that the women entrepreneurship is engaged over in handloom and handicraft and then on traditional term, now these aspect have broadened into new lines like hotel line, xeroxing, beauty parlour, business, incense stick making, candle making etc.

In the last decade, there has been a remarkable shift that emphasizes the traditional industries as compared to non-traditional industries and services. Based on this concept, same important opportunities are being identified, Considering the socio-economic, cultural and educational status and motivational level of women entrepreneurs, particularly projects with low investment, law technical knowledge and assured market are suggested for them such as production of soap, detergent, readymade instant food products including pickles, spices, manufacturing of woolen goods, typing centers, job contractors for packaging of goods and distribution and household provision etc. At present they are:

**Creative:** It refers to creative approaches or innovative ideas with a competitive market. Well planned approach is needed to examine the existing situation and to identify entrepreneurial opportunities. It further implies that women entrepreneurs have alliance with clued up people and construct the right organization offering support and service.

**Quality to working hard:** Innovative women have further ability to work hard. The creative ideas have to come to a fair play. Hard work is required to build up an enterprise.

**Determination:** Women entrepreneurs must have an intention to fulfill their dreams. They have to transfer a dream into an ideal enterprise.

**Ability and desire to take risk:** The desire refers to the willingness to take risk, ability and proficiency in planning, making forecasts, estimates and calculations.

**Profit earning capacity:** women entrepreneurs have a capability to get maximum return out of the invested capital.

### Key changes in women entrepreneurs in last 5 decades

- **Women entrepreneurs of the 50s:** compulsive factors led to the creation of women entrepreneurs.
- **Women entrepreneurs of the 60s:** women began to aspire but also accepted the social cultural traditions.
- **Women entrepreneurs of the 70s:** the women in this decade opened up new frontiers. They had not only aspiration but ambition also.
- **Women entrepreneurs of the 80s:** women are provided with highly sophisticated, technological and professional education. They became equally contributing partners.
- **Women entrepreneurs of the 90s:** this was the first time when the concept of best rather than male heir was talked about.
- **Women entrepreneurs of the 21st century:** "Jill of all trades" since the 21st century, the status of women in India has been changing, as a result of mounting industrialisation, urbanization and social legislation. Over the years, more and more women are going for

higher education, technical and professional education and their proportion in the workforce has also increased.

With the spread of education and awareness women have shifted from the kitchen, handicrafts and traditional cottage industries to non-traditional higher levels of activities. The government has also laid special weightage on the requirement for conducting a special entrepreneurial training programme for women to enable them to start their own ventures.

Financial institutions and banks have also set up particular cells to help women entrepreneurs. This has allowed the women entrepreneurs to rebound on the economic scene in recent years. Although many women's entrepreneurship enterprises still remain a much neglected field.

Though for women, there are quite a lot of handicaps to enter into and manage business ownership due to the intense entrenched conventional state of mind and strict principles of Indian society.

### Functions of women entrepreneurs

As an entrepreneur a woman has to also perform all the functions involved in establishing an enterprise. Frederick Harbison in his article "Entrepreneurial organization as a factor in economic development" specifies the following functions for a woman entrepreneur:

- Explore the prospects of starting new enterprises
- Undertaking of risks and the handling of economic and non-economic uncertainties.
- Introduction to new innovation or initiation of successful ones in existence.
- Coordination, administration and control.
- Supervision and provide leadership in all aspects of the business.

The fact remains that, like the definition of the term entrepreneur, different scholars have identified different sets of functions performed by an entrepreneur whether man or woman and all these entrepreneurial functions can be classified broadly into their categories.

1. **Risk bearing:** women entrepreneurs need to be bold enough to assume the risk involved in the enterprise.
2. **Organization:** our society is an organizational society. The women entrepreneurs should act as an organizer for securing many functions in order to attain the desired goal.
3. **Innovation:** the women should constantly be on the lookout to do something different and unique to meet the changing requirements of the customers.

### Obstacles for women entrepreneurship

Women entrepreneurs face many hurdles. Social support is a key determinant in entrepreneurial establishment. The most common problem which a woman faces is the non-cooperation from her husband and close family members. Majority of the time the family members do not motivate them. Besides they face other problems like mobility constraints, dual responsibilities, law managing ability and risk bearing abilities etc. They don't lack managerial skill but they have less promotional ability which is which they need to improve upon.

Scarcity of raw material and finance are another problem faced by the women entrepreneurs. The standard of

technology used by the women entrepreneurs is qualitatively low, they are poor in technical know-how, and transportation difficulties, improper power supply and telecommunication are some of the other obstacles faced by them. Marketing problem is the biggest problem faced by women entrepreneurs.

There are umpteen obstacles faced by women at various stages from beginning their initial commencement of enterprises. In running their enterprise their various problems are as follows -

1. **Arrangement of finance:** For every business undertaking, finance is said to be the "life blood". Whether it is a large, medium or small enterprise. Women entrepreneurs face the problem of shortage of finance on two important bases. Firstly, women do not in general have property in their own name to use as collateral securities for obtaining loans or funds from banks and other financial institutions. Thus their access to external sources is very limited. Secondly, obtaining the support of bankers, managing the working capital, lack of credit resources are the problems which still remain in the male's domain.
2. **Shortage of raw materials:** Women entrepreneurs encounter the obstacles of shortage of raw materials and necessary inputs. On the Pinnacle of this, is the high prices of raw materials on one hand and getting raw materials at minimum discount rates are the other.
3. **Cut throat competition:** A lot of women entrepreneurs have an imperfect organizational setup to drive in a lot of money for canvassing and advertisements. They have to face severe competition from organized industries. They have to face stiff competition from the men entrepreneurs who are easily involved in the promotion and development area and carry out easy marketing of their product with both the organized sector and their male counterparts. Such a competition ultimately results in the insolvency of the women entrepreneurs.
4. **Lack of education and prevalent levels of illiteracy amongst women:** In India around 40% of women are still illiterate. Illiteracy is the root cause of social-economic barriers or obstacles. Due to lack of knowledge of the latest technological changes, know-how and education creates problems before women set up competitive enterprises.
5. **Family conflict:** Women also come across the conflict of performing house household roles as they are not able to spend enough time with their families. Because in India, it is mainly a woman's duty to look after her children and manage other members of the family. In business they have to spend long hours and as a result, they find it difficult to meet the demands of their family members and society as well their incapability to attend to domestic work, time for educating their children, personal hobbies and entertainment add to their many conflicts.
6. **Marketing problems:** Women entrepreneurs incessantly face the problem in marketing their products. It is one of the core obstacles as their area is mainly dominated by males and even women with adequate experience fail to make a dent. For marketing the product women entrepreneurs have to be at the mercy of middlemen who pocket the Hunk of profit. Although the middlemen exploit the women entrepreneurs, the pursuit of middlemen is tricky because it involves a lot of running around. Women entrepreneurs also find it difficult to capture the market and make their product popular.
7. **Lack of self-confidence and optimistic attitude amongst women:** Nowadays most of the women are suffering from major problems of lack of self-confidence, determination, physically powerful Outlook, hopefulness etc. They always panic from committing mistakes while doing their piece of work. Moreover there is limited initiative of taking risks and bearing the uncertainties that come along with them. Thus all these psychological factors often obstruct their path of achieving success in their area of enterprise.
8. **High cost of production:** High cost of production undermines efficiency and adversely affects the development of women entrepreneurs. The installation of new machinery during expansion of production capacity and similar factors dissuade the women entrepreneurs from venturing into new areas. Government assistance in the form of grants and subsidies to some extent enable them to tide over the difficult situations. However in the long run it would be necessary to increase efficiency and expand production capacity and thereby reduce cost to make their ultimate survival possible. Other than these problems, women entrepreneurs also face the problem of labour, human resources, infrastructure, legal formalities, overload of work, lack of family support, mistrust etc.
9. **Opportunities for women entrepreneurship:** Highly educated technically sound and professionally qualified women should be encouraged to manage their own business rather than depend on wage employment outlets. The unexplored talents of young women can be identified. They can be trained and employed in various types of industries to increase productivity in the industrial sector. The additional business opportunities that are recently approaching for women entrepreneurs are -
10. **Food, fruits and vegetable processing:** India has emerged as one of the top most food producers in the world. Fruits and vegetable processing offers potential for high value addition and potential. Entrepreneurs can earn a lot from such products, mainly women entrepreneurs.
11. **Herbal and healthcare:** healthcare is an industry where women are reasonably well represented in established companies as they have an inherent sense of health and wellness.
12. **Event management:** event management is the application of project management to the creation and development of festivals, events, conferences. Women are creative, intuitive and driven. These characteristics should be embraced whether the woman is young/ old/ married /single or mother.
13. **IT enabled enterprises:** business development services are an important component of entrepreneurship development for women. The women's institutes play a unique role in providing women with educational opportunities and chance to build new skills to take part in a wide variety of activities and to campaign on issues that matter to them and their communities.
14. **Tourism Industry:** The role of women entrepreneurs in the tourism sector will play a major role in promoting the tourism business as it has become a major force in

the economy of the world. Women entrepreneurs are one of the most important inputs in the tourism development of the country.

15. **Telecommunication:** telecommunication is relevant for women entrepreneurs in a modern world. They can easily enter into contracts using information and communication technologies (ICT) as they are easy to enforce without any hurdle.
16. **Eco friendly technology:** This field is of interest across governments, academia and private sectors, women play an essential role in the management of natural resources including soil, water, forest and energy and often have a profound traditional and contemporary knowledge of the natural world around them.

Entrepreneur opportunities are characterized by the introduction of new goods, services, raw material, markets and methods of organizing through the formation of new relationships. Entrepreneurial opportunities can be differentiated from other types of opportunities in that they involve the creation or identification of new ends and means unnoticed by other market participants. Successful entrepreneurs are able to identify the right opportunities to pursue because they have developed the ability to notice them.

### Government Support

Even though women still have to overcome hurdles in their homes and society while attempting to become entrepreneurs, there has never been a greater time in India to be one. The government has come out with initiatives to make it easier for women to set up their own enterprises. The top government initiative that can be leveraged to set up and grow your business as a female entrepreneur.

Some Indian government initiatives to help women entrepreneurs are as below:

**1. Mudra loan for women:** Mudra loan for women was launched by the government to offer financial support for enthusiastic women entrepreneurs. They seek a business plan like starting a beauty parlour, tuition center, a stitching shop etc. This scheme does not require any collateral to grant the loan. However there are categories under which a mudra loan application can be applied. They are as follows:

- **Shishu loan:** For business in the initial stage, the maximum loan amount granted is ₹50000.
- **Kishore loan:** This loan is for businesses that are already established but wish to improve services. The amount of loan granted varies from ₹50000 to ₹5 lakhs.
- **Tarun loan:** This loan is for the well-established business planning to expand their reach and is short of capital. They can avail as much as ₹10 lakhs for the purpose.

**2. Annapurna scheme:** under the Annapurna Yojana, the Government of India offers women entrepreneurs in food catering business loans up to ₹50000. The borrowed amount could be used for working capital requirements such as buying utensils, mixer cum grinder, hot cases, tiffin boxes, working tables etc. After the loan is approved, the lender does not have to pay the EMI for the first month. Once sanctioned, the amount has to be repaid in 36 monthly installments. The interest rate change is determined based on the market rate and the concerned bank.

**3. Stree Shakti Yojana:** The Stree Shakti package is a unique scheme that supports entrepreneurship among women by providing certain concessions. This Stree Shakti scheme is eligible for women who have the majority of ownership in the business. Another requirement is that these women entrepreneurs be enrolled under the entrepreneurship development program (EDP) organized by their respective state agency. This Stree Shakti scheme allows women to avail of an interest concession of 0.05% on loan more than ₹2 lakhs.

**4. Dena Shakti scheme:** The Dena Shakti scheme provides loans up to ₹20 lakhs for women entrepreneurs in agriculture, manufacturing, micro credit, retail stores or small enterprises. The scheme also provides a concession of 0.25% on the rate of interest. Women entrepreneurs can avail a loan upto ₹50000 under the microcredit category.

**5. Bhartiya Mahila Bank Business Loan:** implemented by Bhartiya Mahila Bank (BMB). This is a public sector banking company that offers women entrepreneurs loans up to ₹20 crores for working capital requirements, business expansion for manufacturing enterprises. Some of the different plants under the Bharatiya Mahila Bank Business Loan Scheme includes:

- **Srinagar:** The BMB Srinagar loan applies to self-employed women or homemakers planning a startup for meeting their daily business expenses. The loan does not require you to provide any collateral security.
- **Parvarish:** Similarly the BMB Parvarish loan is for self employed women or homemakers to set up day care creches. The upper limit of this loan can be ₹ 1 crore without any collateral security under the credit guarantee fund trust for micro and small enterprises (CGS TSM) scheme.
- **Annapurna:** Food entrepreneurs between 18 to 60 years wanting to start or expand their small business can avail this loan. Its features are similar to that of the State Bank of Mysore's Annapurna scheme, minus that it does not require collateral security.

**6. Mahila Udyam Nidhi Yojana:** The Mahila udyam Nidhi scheme is offered by Punjab National Bank and small industries development Bank of India (SIDBI). The scheme supports the women entrepreneurs to set up a new small scale venture by extending loans up to ₹10 lakhs to be repaid in 10 years. The rate of interest change depends upon the market rates.

**7. Orient Mahila Vikas Yojana scheme:** Oriental Bank of commerce launched the scheme. Women with an ownership of 51% share capital individually or jointly in a proprietary concern can avail a loan through The Orient Mahila Vikas Yojana. There is a collateral required for loan between ₹10 lakhs to ₹25 lakhs. The repayment tenure of the loan is 7 years. Orient Mahila Vikas Yojana scheme also provides a concession on the rate of interest up to 2%.

**8. Cent Kalyani scheme:** The Cent Kalyani Yojana can be availed by both existing and new entrepreneurs and self-employed women. Micro/ small enterprises like farming, agriculture, cottage industries and retail trade are all eligible to apply for the Cent Kalyani scheme. You do not have to provide any collateral as security or need any guarantors for this loan. The interest rate on the loan depends upon market rates. The payment tenure of the loan will be a maximum of 7 years.

**9. Udyogini scheme:** The Women Development Corporation has implemented the yogini scheme under the Government of India. This scheme promotes and motivates women's entrepreneurship among the poor by providing financial support to the women. This scheme majorly supports and helps illiterate women living in rural and backward areas.

Women entrepreneurs can avail of a business loan at finserv market at attractive interest rates. The loan funds can be used to undertake various business operations, such as expanding your business, acquiring other companies, buying high value and getting new machinery or equipment etc. Bajaj Finserv Business loans are collateral-free which means you are not required to put your assets on the line for business financing. You can apply for business loans online and get an instant loan without security from finserv markets.

### Conclusions

India is male dominated society and women are assumed to be economically as well as socially dependent on male members. The absolute dependence seems to be diluted amongst the high and middle class women as they are becoming more aware of personal needs and demanding greater equality.

Women entrepreneurs face lots of obstacles at the time of startup as well as at the operating stages like non availability of finance, restricted mobility, freedom and having to perform dual roles one at home and the other at work. Technology advancement and information technology explosion have reduced the problems of women entrepreneurs. Alongwith technological revolution, mental revolution of society is needed to change the attitude of the society and provide women with democratic and entrepreneurial platform.

Moreover with increasing government, non-Government and other financial institutions assistance for various women entrepreneurs within the economy, there can be a significant increase brought about in the growth of women entrepreneurship process. Still some efforts are being made to coordinate with the enterprise activities of women and provide them with utmost financial, moral and psychological support by various institutions working within the economy of both the country and worldwide.

Thus the women have the potential and determination to set up, uphold and supervise their own enterprise in a very systematic manner. Appropriate support and encouragement from society in general and family members in particular is required to help these women scale new heights in their business ventures. The right kind of assistance from family, society, and government can make these women entrepreneurs a part of the main stream of the national economy and they can contribute to the economic progress of India.

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