Women Entrepreneurship in India – Issues and Challenges

Abstract

Entrepreneurship plays an imperative role in the growth of any society and is necessary to initiate the process of economic development. Every country tries to achieve economic development for prosperity and better life to people. So, for this contribution of both men and women is essential in economic activities for healthy nation building. But, compared to other countries, the development of women entrepreneurship is very low in India. Women Entrepreneur is a person who accepts challenging role to meet her personal needs and become economically independent. Many women have this quality but they never got a platform to showcase their talents and hence they don't know their real abilities. In our country, there are social, cultural and economic hurdles in the way of women entrepreneurship. The paper talks about the status of women entrepreneurs and also analyzes the factors which motivate women to start their own venture and the problems faced by them. This paper presents a summary of research on entrepreneurs and discusses the trends in the development of the field. An attempt is also made to understand the role of government to accelerate the growth of women entrepreneurship. The data used in the paper is secondary. The secondary data is collected from reports, journals, books, magazines and surfing on the Net.
I. INTRODUCTION

In this era of Liberalization, Privatization and Globalization along with ongoing IT revolution, today’s world is changing at surprising pace. All these changes have created many economic opportunities for women who want to own and operate businesses. Today’s educated women do not want to limit themselves in the four walls of the house. They demand equal respect from their partners. But, for this Indian woman have to go a long way to achieve equal rights and position because traditions are deep rooted in Indian society and due to which society has become a male dominated one. The Indian culture has made them subordinates and executors of the decisions made by the male members. Due to this scenario, women remain perhaps the world’s most underutilized resource.

In former days, for women there were 3 Ks – Kitchen, Kids, Knitting, then came 3 Ps – Powder, Pappad, Pickles but now at present it has changed into 4 Es – Electricity, Electronics, Energy, and Engineering. Indian woman had undergone a long way and are becoming successful in all spheres and have shifted from kitchen to some higher level of professional activities.

The transformation of social fabric of the Indian society, in terms of increased educational status of women and varied aspirations for better living, necessitated a change in the life style of Indian women. Women has competed with man and successfully stood up with him in every walk of life and therefore, business is no exception for this. Developed countries like U.S.A, Canada, Great Britain, Germany and Australia have noticed increasing role of women entrepreneurs. Moreover, when a woman is empowered it does not mean that another individual becomes powerless or is having less power. On the contrary, if a women is empowered her competencies towards decision-making will surely influence her family's behaviour.

A. Concept of Entrepreneur

An entrepreneur is a person who combines capital and labour for production. According to Cantillion "entrepreneur is the agent who buys means of production at certain prices, in order to sell at prices that are certain at the moment at which he commits himself to his cost". According to P.F Drucker "he is one who always (1) searches for change (2) responds to it (3) exploits it as an opportunity."

B. Concept of Women Entrepreneur

Women Entrepreneurs may be defined as the woman or group of women who initiate, organize and co-operate a business enterprise. Government of India has defined women entrepreneurs as “An enterprise owned and controlled by a women having minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generated by the enterprise to woman.”

C. Concept of Women Entrepreneurship

Women entrepreneurship is the process where women organize all the factors of production, undertake risks, and provide employment to others. The definition of women entrepreneurship has never been differentiated on the basis of sex and hence could be extended to women entrepreneurs without any restrictions.
II. REVIEW OF LITERATURE

- **Jalbert, 2000 performed a study to explore the role of women entrepreneurs in a global economy.**
  It examined how women’s business associations can strengthen women’s position in business and international trade. The analysis is performed on the basis of facts and data collected through field work (surveys, focus groups and interviews) and through examining the existing published research. The study has shown that the women business owners are making significant contributions to global economic health, national competitiveness and community commerce by bringing many assets to the global market. As per the analysis of the research study, women entrepreneurs have demonstrated the ability to build and maintain long-term relationships and networks to communicate effectively, to organize efficiently, to be fiscally conservative, and to be aware of the needs of their environment and to promote sensitivity to cultural differences.

- **Lall & Sahai, (2008), conducted a comparative assessment of multi-dimensional issues & challenges of women entrepreneurship, & family business.**
  Through stratified random sampling & convenience sampling the data have been collected from women entrepreneurs working in urban area of Lucknow. The study suggested that though, there has been considerable growth in number of women opting to work in family owned business but they still have lower status and face more operational challenges in running business.

- **Bowen & Hisrich, (1986), compared & evaluated various research studies done on entrepreneurship including women entrepreneurship.**
  It summaries various studies in this way that female entrepreneurs are relatively well educated in general but perhaps not in management skills, high in internal locus of control, more masculine, or instrumental than other women in their values likely to have had entrepreneurial fathers. Women network report on Women in Business & in Decision Making focus on women entrepreneurs, about their problems in starting & running the business, family back ground, education, size of business unit. Some interesting facts which came out from this report are less educated women entrepreneurs are engaged in micro enterprises, have husband & children but have no help at home. However, to maintain balance between family & work life is a major challenge before women entrepreneurs especially for those who have children & working husband.

III. RESEARCH METHODOLOGY

1. **Research Problem**
   Research problem is identifying the area of research i.e. there should not be any ambiguity in designing the research problem because unless it is identified properly, it is not possible to proceed further to carry out the research. In this research paper, the problem is to define the meaning of women entrepreneurship and to identify the opportunities, issues and challenges attached to it which it is facing.

2. **Research Design**
Research design is the complete guideline to the data collection process. It tells about the nature of the research i.e. descriptive or analytical or survey based. This research paper is descriptive and analytical in nature. Data regarding growth, distribution, activity preference and performance off women enterprises has been collected and analyzed and also a descriptive study has been laid down.

3. Sample size
The sample size of this research is very large and no geographical area has been specifically considered for this research. The research is carried on general population.

4. Type of data
An important aspect in every research is to choose the correct and suitable data. So, accordingly, data can be of two types – Primary and secondary data.

i. Primary Data: When data is collected by investigator himself/herself for a specific purpose through experiments, surveys, questionnaires, interviews, and observations. It’s being first hand information, so is more reliable but also time consuming and expensive.

ii. Secondary Data: Data that has previously been collected (primary data) that is utilized by a person other than the one who collected the data. It can be collected in the form of previous records, publications, articles, reports, websites and books. Due to its being second hand information so it’s less time consuming and not so expensive also.

The study is mainly based on secondary data taken from the reputed Published Sources like Economic Survey, various books, internet sources, review of some articles, periodicals etc.

5. Significance
This report is significant in knowing the status of women entrepreneurs, the issues and challenges which they face.

6. Hypothesis
Hypothesis is the assumptions made in the process of making report. But, in this no hypothesis have been made as whole data is collected from secondary sources.

IV. OBJECTIVES OF STUDY
The main objective of the present paper is as follows:

i. To examine the factors responsible for growth of women entrepreneurship in India.

ii. To analyze the problems and challenges faced by the women entrepreneurs in India.

iii. To suggest certain remedial measures to solve the problems of Women Entrepreneurship in Indian Economy.

iv. To study the policy measures undertaken by the government and other agencies to promote women entrepreneurship in India.

V. LIMITATION OF THE STUDY
This study is based on the secondary source of data which are collected from All India Census published by Government of India. The limitation of this study is that it not being based on primary data due to

i. Cost and limited financial resources
ii. Time constrains
iii. Limited contacts and resources

VI. REASONS FOR WOMEN BECOMING ENTREPRENEURS

*When woman moves forward, the family moves, the village moves and the nation moves.*” is rightly said by Pandit Jawaharlal Nehru. Employment gives status and economic independence to women leading to an empowered woman. Women set up an enterprise due to economic and non-economic reasons as well. Various reasons can be due to

- Motivational factors
- Facilitating factors

1. Motivational Factors
   - Economic necessity
   - Self-actualization
   - Independence
   - Government Policies and Programmes
   - Education and qualification
   - Role model to others
   - Employment generation
   - Self Identity and social status
   - Success stories of friends & relatives
   - Family Occupation

2. Facilitating Factors
   - Adequate Financial Facilities
   - Self-satisfaction
   - Innovative thinking
   - Network of contacts
   - Co-operation of family
   - Experienced and skilled people at work
   - Support of family members

A recent survey titled Women & Entrepreneurship in India 2012 Study by Women’s Web interviewed more than 100 women entrepreneurs in India and put together an interesting set of statistics. Most of the respondents were owners of small to medium sized businesses, a majority of which reported sub 10 lakh revenue.

The survey points out two major reasons which had lured the respondents to join the entrepreneurship. 75% of them believed that they had a creative idea that needed to be taken to the market place and 60% felt the need to be their own boss.
6.1 Main Features of Women Entrepreneurship in India

1. Growth of Women Entrepreneurship In India
(a) Among the various states of India, those having more than 50,000 units of women enterprises includes: the southern states of Kerala, Tamil Nadu, Karnataka and Andhra Pradesh, in the west, Maharashtra and Gujarat, in the north Uttar Pradesh and Punjab, West Bengal and Odisha and Madhya Pradesh, as shown in Table.1. In terms of percentage increase in the number of units during this period, in West Bengal, Tamil Nadu, Karnataka, Odisha and Punjab, these have shown more than 100 percent increase while Kerala is not far behind. The case of Odisha is exemplary keeping in view the fact that in terms of incidence of poverty, it is one of the most affected states of India.

Table 1: Total number Women Enterprises in India and Selected States (Lakh Units) and Percentage Change (2001-02 to 2006-07)

<table>
<thead>
<tr>
<th>Selected States</th>
<th>Third Census</th>
<th>Fourth Census Total</th>
<th>Percentage Change</th>
<th>Fourth Census Registered</th>
<th>Fourth Census Un-Registered</th>
</tr>
</thead>
<tbody>
<tr>
<td>All India</td>
<td>10.64</td>
<td>20.21</td>
<td>89.94</td>
<td>2.15</td>
<td>18.06</td>
</tr>
<tr>
<td>Tamil Nadu</td>
<td>1.30</td>
<td>3.57</td>
<td>174.62</td>
<td>0.54</td>
<td>3.03</td>
</tr>
<tr>
<td>Kerala</td>
<td>1.39</td>
<td>2.69</td>
<td>93.53</td>
<td>0.38</td>
<td>2.31</td>
</tr>
<tr>
<td>West Bengal</td>
<td>0.69</td>
<td>2.45</td>
<td>255.07</td>
<td>0.40</td>
<td>2.05</td>
</tr>
<tr>
<td>Karnataka</td>
<td>1.03</td>
<td>2.12</td>
<td>105.82</td>
<td>0.26</td>
<td>1.86</td>
</tr>
<tr>
<td>Andhra Pradesh</td>
<td>0.77</td>
<td>1.16</td>
<td>50.65</td>
<td>0.05</td>
<td>1.11</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>0.68</td>
<td>1.16</td>
<td>70.59</td>
<td>0.10</td>
<td>1.06</td>
</tr>
</tbody>
</table>
Singhal, S. , Garg, K. :: Women Entrepreneurship in India – Issues and Challenges

Maharashtra | 1.00 | 1.03 | 3.00 | 0.18 | 0.85
Odisha | 0.38 | 0.92 | 142.11 | 0.02 | 0.90
Uttar Pradesh | 0.72 | 0.83 | 15.28 | 0.08 | 0.75
Punjab | 0.29 | 0.81 | 179.31 | 0.03 | 0.78
Gujarat | 0.53 | 0.80 | 50.94 | 0.23 | 0.57

Source: Reports of the All India Census of MSME Units, Government of India.

(b) In 2008-09, among various states of India like Tamil Nadu, U.P, Kerala, Punjab, Maharashtra, Gujarat, Karnataka, Madhya Pradesh and other states & UTS, number of registered units and number of women entrepreneurs along with their percentage is shown below in table 2 which shows there has been improvement in the number of women led enterprises overtime.

Table 2: Women Entrepreneurship in India 2008-09

<table>
<thead>
<tr>
<th>States</th>
<th>No of Units Registered</th>
<th>No. of Women Entrepreneurs</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tamil Nadu</td>
<td>9618</td>
<td>2930</td>
<td>30.36</td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>7980</td>
<td>3180</td>
<td>39.84</td>
</tr>
<tr>
<td>Kerala</td>
<td>5487</td>
<td>2135</td>
<td>38.91</td>
</tr>
<tr>
<td>Punjab</td>
<td>4791</td>
<td>1618</td>
<td>33.77</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>4339</td>
<td>1394</td>
<td>32.12</td>
</tr>
<tr>
<td>Gujarat</td>
<td>3872</td>
<td>1538</td>
<td>39.72</td>
</tr>
<tr>
<td>Karnataka</td>
<td>3822</td>
<td>1026</td>
<td>26.84</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>2967</td>
<td>842</td>
<td>28.38</td>
</tr>
<tr>
<td>Other States &amp; UTS</td>
<td>14576</td>
<td>4185</td>
<td>28.71</td>
</tr>
</tbody>
</table>

Source: Economic Survey 2008-09

(c) Now, by looking at the MSME Annual Report 2010-2011, then some positive sign is visible in this field as it was found that 13.72% (2.15 lakh) of the units in the registered MSME sector were women enterprises, whereas the share of enterprises actually managed by females was also 13.72%. So, this shows that still Indian women have to go a long way ahead to grab entrepreneurial dominance in the field of small and medium enterprises.

Table 3 : Women Enterprises

<table>
<thead>
<tr>
<th>No. of enterprises managed by</th>
<th>No in lakh.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>13.49 (86.28%)</td>
</tr>
<tr>
<td>Female</td>
<td>2.15 (13.72%)</td>
</tr>
<tr>
<td>Total</td>
<td>15.64 (100%)</td>
</tr>
<tr>
<td>No. of women enterprises</td>
<td>2.15 (13.72%)</td>
</tr>
</tbody>
</table>

Source: MSME-Annual Report 2010-2011

6.2 Distribution of Women Enterprises

(a) As per the Third All India Census of SSI-2004 (given in Table 4) the percentage of women enterprises was more than the percentage of units managed by women. Again, the number of women enterprises in the unregistered sector was more than the number of women enterprises in the registered SSI sector. Similar was the case in the number of units managed by women.
Table 4: Participation of Women in SSI Sector in India - Third All India Census-2004 (Reference Period 2001-02)

<table>
<thead>
<tr>
<th>Size of the sector</th>
<th>Total SSI Sector</th>
<th>No. of Women Enterprise</th>
<th>Percentage</th>
<th>No. of units managed by women</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regd. SSI sector</td>
<td>1374974</td>
<td>137534</td>
<td>10.1</td>
<td>114361</td>
<td>8.32</td>
</tr>
<tr>
<td>Un regd. SSI sector</td>
<td>9146216</td>
<td>926187</td>
<td>10.13</td>
<td>880780</td>
<td>9.63</td>
</tr>
<tr>
<td>Total</td>
<td>10521190</td>
<td>1063721</td>
<td>10.11</td>
<td>995141</td>
<td>9.46</td>
</tr>
</tbody>
</table>


(b) As per the Fourth All India Census on MSME, 2006-07, 18.06 lakh out of 20.21 lakh units which comes out to be nearly 90 percent of the total belonged to the un-registered category. The rest 2.15 lakh i.e. around 10 percent of the total were in the registered sector.

Table 5: Female Enterprises in India (lakh units) - (2006-07)

<table>
<thead>
<tr>
<th>Enterprise</th>
<th>Registered</th>
<th>Un-Registered</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.15 (10)</td>
<td>18.06 (90)</td>
<td>20.21 (100)</td>
</tr>
</tbody>
</table>

Source: Report of the Fourth All India Census on MSME, 2006-07, Government of India.

(c) In terms of localization, majority of both the categories of women enterprises are established in the rural areas. Out of 18.06 lakh un-registered units, 12.79 lakh (70.82 percent) are in the rural areas and rest 5.27 lakh units (29.18 percent) are located in the urban areas. In case of 2.15 lakh registered units the rural-urban distribution is even i.e. 1.08 lakh units are established in the rural area and 1.07 lakh units are in the urban area (Table 6).

Table 6 : Localization of Female Enterprises in India (lakh units) - (2006-07)

<table>
<thead>
<tr>
<th>Enterprise</th>
<th>Rural</th>
<th>Urban</th>
<th>All India</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered</td>
<td>1.08(50.23)</td>
<td>1.07(49.77)</td>
<td>2.15(100.00)</td>
</tr>
<tr>
<td>Un-Registered</td>
<td>12.79(70.82)</td>
<td>5.27(29.18)</td>
<td>18.06(100.00)</td>
</tr>
</tbody>
</table>

Source: Report of the Fourth All India Census on MSME, 2006-07, Government of India.

*Figures in the parentheses indicate percentage.

6.3 Activity Preference in Women Entrepreneurship

a) According to activity preference, most of the women enterprises are established as ‘manufacturing units’ both in the registered and un-registered sectors. Out of 2.15 lakh registered units, 1.08 lakh are manufacturing enterprises comprising 50.47 percent of the total and in the un-registered sector the figure is 13.13 lakh out of a total of 18.06 lakh units i.e. 72.70 percent of the total. At the all India level, women control 12.56 percent (87.44 for men) of the un-registered manufacturing units and 10.32 percent (89.68 for men) of the registered manufacturing units in rural and urban areas combined. (Table.7)
b) The second preferential activity seems to be the ‘services units’ which account 40.98 percent the total registered units (about 88 thousand out of 2.15 lakh) and 22.31 percent of the total un-registered units (4.03 lakh out of 18.06 lakh) at the all India level. At the all India level women control 34.85 percent the total registered services enterprises as against 65.15 percent for males while in the same for un-registered services enterprises stood at 4.92 for women as against 95.08 for males in both rural and urban area combined. (Table.7)

c) The last in the preference pattern for women comes out to be “repairing and maintenance” in which 8.55 percent being in the registered sector and 4.98 percent in the un-registered sector. (Table.7)

d) At the all India level i.e. combining registered and un-registered units in rural and urban areas, it was calculated that women enterprises constitute 12.36 percent of the total manufacturing units, 7.23 per cent of the total Repair and Maintenance units and 5.81 per cent of the total services units. (Table.7)

e) Table 7: Activity preference in women entrepreneurship, 2006-07 (per cent)

<table>
<thead>
<tr>
<th>Enterprise</th>
<th>Registered Enterprises (% distribution of Registered Female Enterprise)</th>
<th>% Distribution of Registered Female Enterprise To Total Registered Enterprises In India (Male &amp; female)</th>
<th>Un-Registered Enterprises (% Distribution of Unregistered Female Enterprise)</th>
<th>Un-registered Female Enterprises as percentage of total Unregistered Enterprises In India (Male and Female)</th>
<th>All India Total Female Enterprises Registered + Un-registered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>50.47</td>
<td>10.32</td>
<td>72.70</td>
<td>12.56</td>
<td>12.36</td>
</tr>
<tr>
<td>Repair &amp; Maintenance</td>
<td>8.55</td>
<td>7.00</td>
<td>4.98</td>
<td>7.31</td>
<td>7.23</td>
</tr>
<tr>
<td>Services</td>
<td>40.98</td>
<td>34.85</td>
<td>22.31</td>
<td>4.92</td>
<td>5.81</td>
</tr>
</tbody>
</table>

Source: Report of the Fourth All India Censuses on MSME, 2006-07, Government of India. (Percentages are calculated from the data)

(e) As per industrial sector, women enterprises have been established in transport and warehousing, wholesale trade, manufacturing etc, shown below. These along with percentage are shown in the table below.

Table 8: Women Corporate In Industrial Sectors - 2008-09

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Industry</th>
<th>Percentage of Women Corporate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Transportation and Warehousing</td>
<td>15.1%</td>
</tr>
<tr>
<td>2</td>
<td>Agriculture Forestry Fishing and Hunting</td>
<td>14.6%</td>
</tr>
<tr>
<td>3</td>
<td>Whole Sale Trade</td>
<td>14.0%</td>
</tr>
<tr>
<td>4</td>
<td>Mining and Oil and Gas Extraction</td>
<td>13.5%</td>
</tr>
<tr>
<td>5</td>
<td>Manufacturing</td>
<td>13.3%</td>
</tr>
<tr>
<td>6</td>
<td>Management of Companies</td>
<td>12.4%</td>
</tr>
</tbody>
</table>
VII. PERFORMANCE OF THE WOMEN ENTERPRISES

a) The principal characteristics of women-managed SSI units in India as per the Third All India Census of SSI - 2004 (given in Table 8) show that the share of women-managed units in the total SSI sector in terms of number of units (9.46 %) and employment (7.14 %) was higher than that of their share in other aspects, viz. original value of plant and machinery (4.11%), market value of fixed assets (4.63%), gross output ((3.46 %) and exports (2.37 %). The share of women-managed units in the unregistered SSI sector in terms of number of units, employment, original value of plant and machinery, market value of fixed assets and gross output are higher than that of the registered SSI sector.

Table 9: Principal Characteristics of Women-managed SSI Units in India- Third All India Census-2004 (Reference Period 2001-02)

<table>
<thead>
<tr>
<th>Units managed by women</th>
<th>No. of Units</th>
<th>Employment</th>
<th>Original value of plant &amp; machinery (Rs.in crores)</th>
<th>Market value of fixed assets (Rs.in crores)</th>
<th>Gross output (Rs.in crores)</th>
<th>Exports (Rs.in crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered SSI sector</td>
<td>114361</td>
<td>349342</td>
<td>11047.85</td>
<td>3362.46</td>
<td>6031.68</td>
<td>331.48</td>
</tr>
<tr>
<td>Percentage to total of the respective category</td>
<td>8.32</td>
<td>5.67</td>
<td>3.64</td>
<td>3.66</td>
<td>2.97</td>
<td>2.69</td>
</tr>
<tr>
<td>Unregistered SSI sector</td>
<td>880780</td>
<td>1429962</td>
<td>1149.61</td>
<td>3776.33</td>
<td>3732.48</td>
<td>5.38</td>
</tr>
<tr>
<td>Percentage to total of the respective category</td>
<td>9.63</td>
<td>7.62</td>
<td>4.68</td>
<td>6.04</td>
<td>4.72</td>
<td>0.28</td>
</tr>
<tr>
<td>Total SSI sector</td>
<td>995142</td>
<td>1779304</td>
<td>2254.40</td>
<td>7138.80</td>
<td>9764.17</td>
<td>336.86</td>
</tr>
<tr>
<td>Percentage to total of the respective category</td>
<td>9.46</td>
<td>7.14</td>
<td>4.11</td>
<td>4.63</td>
<td>3.46</td>
<td>2.37</td>
</tr>
</tbody>
</table>


b) Table 10 summarizes the performance of the women enterprises in terms of certain characteristics such as employment generation, gross output, market value of fixed assets and exports.
Table 10: Performance of the Women Enterprises (Percentage to Total)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment Generation</td>
<td>7.14</td>
<td>8.14</td>
</tr>
<tr>
<td>Gross Output</td>
<td>3.46</td>
<td>7.00</td>
</tr>
<tr>
<td>Market Value Of Fixed Asset</td>
<td>4.63</td>
<td>6.21</td>
</tr>
<tr>
<td>Export</td>
<td>2.37</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Report of the Fourth All India Census on MSME, 2006-07, Government of India.

So, the Table.10 shows, there has been improvement in the performance of the women led enterprises over time. Because of increase in gross output by more than 3 percent, employment generation increased by one percent between 2001-02 and 2006-07. The market values of fixed assets have also increased by around 2 percent. In 2001-02, the contribution to export was 2.37 percent which marks the presence of women entrepreneurs on the global platform.

b. Women workers participation rate

Nearly 400 million people live in cities in India and during the next 40 years that number will be going to be more than double. New analysis of data from the 2011 census shows only half as many urban women work as their rural counterparts.

Few states—including Iran, Pakistan and Saudi Arabia—do worse than India when it comes to women’s participation in the workforce. Others such as Somalia, Bahrain and Malaysia do much better. Among the BRICS (Brazil, Russia, India, China and South Africa) which are comparable emerging economies, India has the lowest female participation rate, with only 29% of women over the age of 15 working. As the chart below shows, even among the MINT countries—Mexico, Nigeria, Indonesia and Turkey—only Turkey has the same participation rate as India.
VIII. PROBLEMS OF WOMEN ENTREPRENEURS:

There are many problems which are being faced by women at various stages beginning from their initial commencement of enterprise, in running their enterprise. The various problems are discussed as follows:

1. Patriarchal Society: Our society is seen as male-dominated, where the idea of women taking up entrepreneurial activities is considered as a distant dream. One of the greatest deterrents to women entrepreneurs is that they are women and due to this women also have to face role conflict as soon as they initiate any entrepreneurial activity. It is a difficult task for women to face such conflicts and manage both home and business duties at a time.

2. Absence of Entrepreneurial Aptitude: There are many women, who take the training, by attending the Entrepreneurship Development Programmes, but, without any entrepreneurial bent of mind. Women who are being given training by various institutes must be verified on account of aptitude through the tests, interviews etc, for proper development of skills required.

3. Marketing Problems: Women entrepreneurs continuously face the problems in marketing their products. It is one of the core problems which women’s are facing as this area is mainly dominated by males and also women do not have adequate experience in this. For marketing the products, women entrepreneurs have to be at the mercy of middlemen who pocket large chunk of profits. The middlemen exploit the women entrepreneurs. Women entrepreneurs also find difficulty in capturing the market and for making their products popular. Now a day, a huge amount is required for advertisement purpose, so they continuously face problems in marketing.

4. Financial Problems: This is one of the biggest problem which is faced by every entrepreneur, so women entrepreneurs too suffer from inadequate financial resources. Obtaining the support of bankers, managing the working capital, lack of credit resources are the problems which they face. The complicated procedure of bank loans involves too many formalities also create lot of problems in getting the required finance. Women are yet to make significant mark in quantitative terms.

5. Family Conflicts: Women also have to face the conflict of performing of home role along with business role. They have to spend long hours in business and as a result, they find it difficult to meet the demands of their family members and society as well. Their inability to attend to their family adds to their problems.

6. Credit Facilities: Women are often denied credit by bankers on the ground of lack of collateral security. Therefore, women's access to risk capital is limited. The complicated procedure of bank loans, lot of formalities and delay in obtaining the loans adds to the problem of women entrepreneurs.

7. Shortage of raw-materials: Women entrepreneurs face the problems of shortage of raw-materials. The prices of raw materials are quite high and also keep on fluctuating. So, availability of right type of material in right quantity at right time and at right price is often difficult.

8. Heavy Competition: Women entrepreneurs have to face stiff competition from organized industries and male entrepreneurs who are having vast experience in this field. Many of the
women enterprises have imperfect organizational set up. So, competition is another problem which is faced by them.

IX. CHALLENGES FACING WOMEN ENTREPRENEURS

Even with all of the advancements that women have made in the business world, there is still a long way to go. Below are some of the top challenges that female entrepreneurs face.

1. **Not Being Taken Seriously:** Within the business world, the opinions and advice given by women are not always viewed as “expert” as compared to a man’s opinion. And when a female starts a business, sometimes family, friends, and others in the business community view it as a hobby or a side project to family duties, rather than a bona fide business.

2. **Letting Fear Stand in the Way:** In general, women are less prone to taking risks and can let their own fears (like the fear of failure, fear of success, fear of being on their own etc.) stand in their way of “going for it” and pursuing the path of entrepreneurship. Confidence The great way to combat these fears is confidence and the best way to feel confident in what you are doing is to make sure that you are as prepared as possible before you start your business. Also, there is a need to believe in what you bring to the table and value your efforts, time and capabilities.

3. **Wanting to Please Everyone:** Women’s are often taught to “be nice”, which can lead to seeking the approval of others. Subsequently, women can have a harder time saying “No”, which can lead to under-charging for their products/services or being too giving of their time and help in general. This ultimately comes at the expense of their own needs, business or otherwise.

4. **Wearing Too Many Hats:** In their personal lives, women have a tendency to try to be everything to everyone and so this often becomes very difficult. So, when women add “entrepreneur” and “business owner” into the mix, this tendency is further magnified. This is a major hurdle to overcome in order to have a successful business.

X. SUGGESTIONS TO OVERCOME THE PROBLEMS FACED BY WOMEN ENTREPRENEURS IN INDIA

Female entrepreneurship has been steadily climbing in recent years, but these new opportunities and growth are not without a unique set of challenges. Women entrepreneurs face many different “stumbling blocks,” throughout their careers and offered the following suggestions:

1. **Training facilities:** Training and developments programmers play very essential role for the development of entrepreneurship. Special training schemes should be so designed and provided that women can get full advantages from them. Various facilities like Mobile training centers, part time training facilities etc. should be offered to attract more and more women to the training centers.

2. **Finance cells:** A large number of various finance cells should be opened to provide easy finance to women entrepreneurs. These special finance cells should provide finance to women entrepreneurs at low and concessional rates of interest and on easy
repayment facilities. Even these finance cells should be managed by women officers and clerks. So, efforts should be made to provide finance at the local level.

3. **Marketing Co-operatives:** Marketing co-operatives should be established to encourage and for providing assistance to women entrepreneurs. Government should also give preference to women entrepreneurs while purchasing their requirements. These marketing co-operating will help the women entrepreneurs to sell their products on remunerative prices and this will also help in eliminating the middlemen.

4. **Supply of raw-materials:** The required, scare and imported raw-materials should be made available to women entrepreneurs at right time in right quantity and of right quality at right prices.

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

6. **Team Building:** Many female entrepreneurs try to handle every aspect of the business alone, and that leads to failure. So it is important for female entrepreneurs that they should surround themselves with team members having different strengths and expertise which can help them in running a successful business. Women think they can do it all themselves, and aren't thinking about team building.

7. **Develop a Blue Print:** One of the top issues which is found is that, women entrepreneurs lack having a set plan in place because so many women fall into their business accidentally. So, it is required on the part of women entrepreneurs to write up a business blue print when starting out and which includes a clear description of the product or service, their target audience and how the business will be run on a daily basis etc.

8. **Infrastructure set up:** Infrastructure set up plays a vital role for any enterprise. Government can set some priorities for women entrepreneurs for allocation of industrial plots, sheds and other amenities. However, some precautionary measures should also be undertaken.

---

**XI. POLICIES AND SCHEMES FOR DEVELOPMENT OF WOMEN ENTREPRENEURSHIP IN INDIA**

Since independence, development of women has been a policy objective of the government. Until the 70s, the concept of women’s development was mainly welfare oriented only. But in 1970s, there was a shift from welfare oriented approach to development oriented approach that recognized the mutually reinforcing nature of the process of development. Afterwards, a multi-disciplinary approach is followed in the 80s with an emphasis on three core areas of health, education and employment. Various government and non government bodies also started paying great attention to women’s economic contribution through self employment and industrial ventures. In this way, women were given priorities in all the sectors including SSI sector.
In India, the Micro, Small & Medium Enterprises development organizations, various State Small Industries Development Corporations, the Nationalized banks and even NGOs are conducting various programmes including Entrepreneurship Development Programmes (EDPs) to cater to the needs of potential women entrepreneurs, who may not have adequate educational background and skills. The Office of DC (MSME) has also opened a Women Cell to provide coordination and assistance to women entrepreneurs facing specific problems.

There are also several other schemes of the government at central and state level, which provide assistance for setting up training-cum-income generating activities for needy women to make them economically independent. Small Industries Development Bank of India (SIDBI) has also been implementing special schemes for women entrepreneurs.

In addition to the special schemes for women entrepreneurs, various government schemes for MSMEs also provide certain special incentives and concessions for women entrepreneurs which are provided below.

1. Trade related entrepreneurship assistance and development (TREAD) scheme for women:

In order to alleviate the problems of women entrepreneurs, Govt. of India launched a scheme entitled “Trade Related Entrepreneurship Assistance and Development” (TREAD) during the 9th plan period which has slightly been modified and is now put in operation.

⇒ Objectives: Experience has revealed that apart from counseling and training, delivery of credit poses the most serious problem for the poor women. Since women are not able to have an easy access to credit, it has been envisaged that the credit will be made available to women applicants through NGOs who would be capable of handling funds in an appropriate manner. These NGOs will not only handle the disbursement of such loans needed by women but would also provide them adequate counseling, training and Assistance in developing markets.

2. Salient Features of the Revised Tread Scheme for Empowerment of Women

⇒ Credit

Credit to Projects - Government Grant up to 30% of the total project cost as appraised by lending institutions which would finance the remaining 70% as loan Assistance to applicant women, who have no easy access to credit from banks due to their cumbersome procedures and the inability of poor & usually illiterate/semi-literate women to provide adequate security demanded by banks in the form of collaterals. GOI Grant and the loan portion from the lending agencies to assist such women shall be routed through eligible NGOs engaged in assisting poor women through any kind of income generating activities in nonfarm sector.

For example if an NGO submits project(s) for a number of individual or group(s) women say for Rs. 50,000 each for a group of 50 women, then the loan amount required by 50 women would be Rs. 25 lakh. To it would be added the expenditure that the NGO will make in training / counseling of staff, part expenses on operationalising a management and monitoring system, vehicles, charges for legal documentation, training of loaners, auditors fees charged. Say duly approved by lending institutes, it works out to be Rs. 15 lakh. Then
the total project cost would be Rs. 25 + 15 = 40 lakh. The GOI grant would be maximum up to Rs. 12 lakh (30% of Rs. 40 lakh).

⇒ Training & Counseling

Training organizations viz. Micro, Small and Medium Enterprises (MSMEs), Entrepreneurship Development Institutes (EDIs), NISIET and the NGOs conducting training programmes for empowerment of women beneficiaries identified, under the scheme would be provided a grant up to maximum limit of Rs. 1.00 lakh per programme provided such institutions also bring their share to the extent of minimum 25% (10% in case of NER) of the Government grant. The batch size for such a training activity will be at least 20 participants. Duration of the training programme will be minimum one month.

For example if a mention institution or eligible NGO wants to conduct a pre or post project training programme for a group of women then the maximum GOI grant can be Rs.1.0 lakh provided the NGO also raises 25% of the requested grant i.e. the total expenditure of the training expenditure can be up to Rs. 1.25 lakh for availing full assistance of GOI grant.

⇒ Eliciting Information on Related Needs

Institutions such as Entrepreneurship Development Institutes (EDIs), NIMSME, NIESBUD, IIE, MSME-DIs EDIs sponsored by State Govt. and any other suitable institution of repute will be provided need based Government grant primarily for undertaking activities aiming at empowerment of women such as field surveys, research studies, evaluation studies, designing of training modules, etc. etc. covered under the scheme. The grant shall be limited up to Rs. 5 lakh per project. Interested institutions will apply for such assistance directly to the MSME-DIs concerned and copy to the Office of DC (MSME) giving all the relevant details in the prescribed format.

3. Micro & Small Enterprises Cluster Development Programme (MSE-CDP)

a) Existing Clusters:

A cluster is defined as a group of enterprises, ideally having 100 members, producing same/similar products/services. While 100 members could be the minimum per cluster, depending on the density of population and other factors. However, in difficult and backward regions the target numbers could come down to 50 or less but it should not be too small as a lot of Government expenditure is made per cluster. The Cluster Development aims at enhanced competitiveness, technology improvement, adoption of best manufacturing practices, marketing of products, employment generation etc. The scheme provides assistance for capacity building, common facilities, marketing etc. The delivery, assimilation and diffusion of the identified technology from its producers to the recipient user/cluster of small enterprises.

Type of interventions:

I) Soft Interventions – Capacity building activities in the cluster where no fixed assets is acquired or formed. Soft interventions, include

i. Diagnostic study
ii. Capacity building,
iii. Organizing workshops, seminars,
iv. Market development,
v. Launch of Website,
vi. Common/complementary sales and branding;
In the past depending upon the type of cluster, assistance available for soft interventions has varied in the range of Rs.25 – 35 lakh per cluster. Currently we have an internal ceiling of Rs.10 lakh for soft intervention under this Scheme.

II) Hard Interventions – Hard interventions, include
i. Setting up of Common Facility Centre (CFCs),
ii. Mini Tool Room
iii. Testing Facilities
iv. Training Centre,
v. Common Raw Material Bank/Sales depot, etc.

In case of the hard intervention the contribution from the M/o MSME varies between 30-80% of the total project cost, but in the case of clusters owned and managed by women entrepreneurs, contribution of the M/o MSME could be upto 90% of the project cost.

b) Creation of physical infrastructure:
This Ministry implemented the IID Scheme to provide developed sites with infrastructural facilities like power distribution network, water, telecommunications, drainage and pollution control facilities, roads, exhibition/display centres, raw materials, storage and marketing outlets, common service facilities and technological back-up services, etc. To create physical infrastructure exclusively for women enterprises central grant of 40% of the project cost subject to a maximum of Rs.2 crore is available. The Ministry of MSME is making efforts to enhance the quantum of grant to 80% in a project of Rs.10 crore.

4. Credit Guarantee Fund Scheme for Micro and Small Enterprises:
The Scheme was launched in August 2000 to ensure better flow of credit to micro and small enterprises by minimizing the risk perception of financial institutions and banks in lending without collateral security. Under this scheme, guarantee cover is provided to collateral free credit facility extended by member lending institutions (MLIs) to the new as well as existing micro and small enterprises on loans up to Rs.50 lakh. The guarantee cover available is up to 75% of the loans extended; however the extent of guarantee cover is 80% for MSEs operated and/or owned by women.

5. Support for Entrepreneurial and Managerial Development:
MSME-DIs regularly organize a number of Entrepreneurship Skill Development Programme (ESDPs)/ Entrepreneurship Development Programme (EDPs)/ Management Development Programmes (MDPs) to train the potential entrepreneurs in improving their techno/managerial knowledge and skill with a view to facilitating them to start MSEs in various fields. Many of the programmes are tailor made for the target group for SC, ST, OBC, Women, Minorities and other weaker sections and exclusively for women also. These programmes are also called “Out-reach Programmes” as they are conducted in rural/less developed areas. No fee is charged from SC and ST and 50 % fee from Women and PH candidates who attend the ESDP /EDP /MDP courses conducted for general candidates.
5. Exhibitions for Women under Promotional Package for Micro & Small Enterprises Approved by CCEA under Marketing Support:

DC (MSME) has formulated a scheme for women entrepreneurs to encourage Small & Micro manufacturing units owned by women and register in DI/DIC in their efforts at tapping and developing overseas markets, to increase participation of representatives of small/micro manufacturing enterprises under MSME stall at International Trade Fairs/Exhibitions, to enhance export from such units. Under this scheme, participation of women entrepreneurs in 25 international exhibitions is envisaged during the 11th Plan (2007-2012). With a view to encourage women entrepreneurs to participate in the International Exhibitions under MDA scheme it has been decided to:

i. Provide rent free space (6/9 Sq Mts) in the exhibitions
ii. Reimburse 100% economy class air fare for one representative

The overall ceiling shall however be Rs. 1.25 lac.

SCHMES FOR WOMEN OPERATED BY DIFFERENT DEPARTMENTS AND MINISTRIES.

Some of these schemes are mentioned below:
- Integrated Rural Development Programme (IRDP)
- Khadi And Village Industries Commission (KVIC)
- Training of Rural Youth for Self-Employment (TRYSEM)
- Prime Minister’s Rojgar Yojana (PMRY)
- Entrepreneurial Development programme (EDPs)
- Management Development programmes
- Women’s Development Corporations (WDCs)
- Marketing of Non-Farm Products of Rural Women (MAHIMA)
- Assistance to Rural Women in Non-Farm Development (ARWINDE) schemes
- Trade Related Entrepreneurship Assistance and Development (TREAD)
- Working Women’s Forum
- Indira Mahila Yojana
- Indira Mahila Kendra
- Mahila Samiti Yojana
- Mahila Vikas Nidhi
- Micro Credit Scheme
- Rashtriya Mahila Kosh
- SIDBI’s Mahila Udyam Nidhi
- Mahila Vikas Nidhi
- SBI’s Stree Shakti Scheme
- NGO’s Credit Schemes
- Micro & Small Enterprises Cluster Development Programmes (MSE-CDP).
- National Banks for Agriculture and Rural Development’s Schemes
- Rajiv Gandhi Mahila Vikas Pariyojana (RGMVP)
- Priyadarshini Project- A programme for _Rural Women Empowerment and Livelihood in Mid Gangetic Plains,
- NABARD- KFW-SEWA Bank project
- Exhibitions for women, under promotional package for Micro & Small enterprises approved by CCEA under marketing support
The efforts of government and its different agencies are supplemented by NGOs that are playing an equally important role in facilitating women empowerment. Despite concerted efforts of governments and NGOs there are certain gaps. Of course we have come a long way in empowering women yet the future journey is difficult and demanding.

XI. CONCLUSION

According to the study, it has been observed that Women are very good entrepreneurs, and prefer to choose the same as they can maintain work life balance. The emergence of women entrepreneurs and their contribution to the national economy is quite visible in India. There has been a steady increase in the participation of women in small business indicating immense potential for entrepreneurial development among them. From the point of view of performance, it was observed that the women enterprises in India have made significant contribution towards generation of employment, gross output, asset creation and exports. As observed the success of women entrepreneurs differs from State to State in India. Changes in the global and domestic environment have contributed towards the growth of women entrepreneurship in India. It was also observed that women enterprises are concentrated in the micro segment of the MSME sector. To enlarge their participation, still a lot more in terms of motivation, incentives and encouragement needs to be done. The social recognition of their entrepreneurial abilities, family’s moral support, financial support by banks and financial institutions and women empowerment policies of government will go a long way boosting their morale and instilling self confidence in them.

XII. REFERENCES