

Problems and Prospects of Women Entrepreneurs in India in the era of Globalization

Dr. P. Pirakatheeswari

Lecturer Commerce,
Sri Sarada College for Women (Autonomous) Salem

Abstract

Economic development in any form is the outcome of human activity. Entrepreneurship is a rapidly rising concern of a modern competitive economy and its contribution in economy is viably recognized worldwide. Women's development has been considered the key to the overall sustainable development of a nation. Several central government and state government departments, government sponsored institutions as well as voluntary organizations have introduced a multitude of programmes of assistance and incentives etc, to keep up the tempo and to speed up the process of growth of women entrepreneurship. Female who play an intriguing role by frequently interacting and actively adjusting herself with socio-economic, financial and support spheres in society is called women entrepreneur.

Women Entrepreneur' is a person who accepts challenging role to meet her personal needs and become economically independent. A strong desire to do something positive is an inbuilt quality of entrepreneurial women, who is capable of contributing values in both family and social life. "Women entrepreneur refers equally to someone who has started a one women business to someone who is a principal in family business or partnership or to someone who is shareholder in a public company which she runs".

Women have the potential and the determination to set up, uphold and supervise their own enterprises in a very systematic manner. Appropriate support and encouragement from the Society in general and family members in particular is required to help them 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 mainstream of national economy and they can contribute to the economic progress of India in this era of globalization.

Empowering women entrepreneurs is essential for achieving the goals of sustainable development and the bottlenecks hindering their growth must be eradicated to entitle full participation in the business. Entrepreneurship among women, no doubt improves the wealth of the nation in general and of the family in particular. Women today are more willing to take up activities that were once considered the preserve of men, and have proved that they are second to no one with respect to contribution to the growth of the economy. Women entrepreneurship must be moulded properly with entrepreneurial traits and skills to meet the changes in trends, challenges in global markets and also be competent enough to sustain and strive for excellence in the entrepreneurial arena.

Keywords :

Economic Development, Women Entrepreneurs, Globalization, Entrepreneurship

Introduction

Economic development in any form is the outcome of human activity. Entrepreneurship is a rapidly rising concern of a modern competitive economy and its contribution in economy is viably recognized worldwide. Women's development has been considered the key to the overall sustainable development of a nation. Several central government and state government departments, government sponsored institutions as well as voluntary organizations have introduced a multitude of programmes of assistance and incentives etc, to keep up the tempo and to speed up the process of growth of women entrepreneurship.

The hidden entrepreneurial potentials of women have gradually been changing with the growing sensitivity to the role and economic status in the society. Skill, zeal, wills, knowledge and adaptability in business are the five important determinants of women to emerge into business ventures. With the advent of media, women are aware of their own traits, rights and also the work situations. The glass ceilings are shattered and women have started plunging into industry also and running their enterprises from papad to power cables successfully. The challenges and opportunities provided to the women of digital era are growing rapidly that the job seekers are turning into job

creators. They are flourishing as designers, interior decorators, exporters, publishers, garment manufacturers and still exploring new avenues of economic participation. In India, although women have been performing exceedingly well in different spheres of activities like academics, politics, administration, social work and so on, but the entrepreneurial world is still a male dominated one.

The 1980s and 1990s are frequently referred to as the era of globalization. The Indian economy has been witnessing a drastic change since mid-1991, with new policies of economic liberalization, globalization and privatization initiated by the Indian government. India has great entrepreneurial potential. At present, women involvement in economic activities is marked by a low work participation rate, excessive concentration in the unorganized sector and employment in less skilled jobs.

Women entrepreneurship has gained momentum in the last three decades with the increase in the number of women enterprises and their substantive contribution to economic growth. The industrial performance of Asia-Pacific region propelled by Foreign Direct Investment, technological innovations and manufactured exports has brought a wide range of economic and social opportunities to women entrepreneurs. In this dynamic world, women entrepreneurs are an important part of the global quest for sustained economic development and social progress. 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.

Women Entrepreneurship

Female who play an intriguing role by frequently interacting and actively adjusting herself with socio-economic, financial and support spheres in society is called women entrepreneur.

Women Entrepreneur' is a person who accepts challenging role to meet her personal needs and become economically independent. A strong desire to do something positive is an inbuilt quality of entrepreneurial women, who is capable of contributing values in both family and social life. "Women entrepreneur refers equally to someone who has started a one women business to someone who is a principal in family business or partnership or to someone who is shareholder in a public company which she runs".

Concept of Women Entrepreneur Enterprise

The Government of India has defined a women entrepreneur enterprise as "An enterprise owned and controlled by a women having a minimum financial interest of 51% of the capital and giving at least 51% of

the employment generated in the enterprise to women".

Classification of Women Entrepreneurs

Women entrepreneurs can be divided into three categories of chance, forced and created and these categories are based upon the fact that how they started their businesses. Women, who do not have any clear objective or goal in their mind at the time of initiating business, fall in the chance category as with time their businesses evolve from their hobbies. While forced entrepreneurship is the category for such women who start their businesses being constrained by circumstances, whereas the women who start their businesses by being motivated or encouraged by others fall in the category of created entrepreneurs.

Women entrepreneur are further divided into three categories based on the areas of their engagement, the **micro sphere**, where female's economic empowerment is affected by intra-familial associations. The second sphere is institutional also called **meso-sphere**; it includes organizations other than family ones, for example schools, NGOs and other businesses. The last sphere is **macro**, this is the environment in which one lives and carry on one's work, it includes international and national dynamics, regulatory authorities, credit availability, sources of finance and other factors on internal and external environments.

Growth of Women Entrepreneurs in India

Increase in cost of living has prompted the Indian women to undertake economic activities in order to support their families. They are coming forward to take risks, face challenges and prove to the world that their role in the society is no more limited to that of buyers but they can be also successful sellers. There are thousands of good examples where women have shown entrepreneurial talents and have succeeded. Almost half of India's population consists of women. But they constitute a very negligible proportion of the total entrepreneurs. Entrepreneurial traits and competencies have not been well developed amongst the women entrepreneurs. They are very shy in nature and emotionally attached to the family. They are treated as weak and dependent on men. They are the neglected sections in the society. In spite of the above, in sixties, women have started entrepreneurial activities as one- woman enterprises at home and from home for self-occupation and engagement. The number of women entrepreneurs was only 6000 which miserably low during the period.

Indian women started their entrepreneurial work in 1970s. Their entrepreneurship is traced out as an extension of kitchen activities mainly pickles, powder and pappad. Women are encouraged to start an occupation or venture with an urge to do something

independently started to tide over their economic difficulties and responsibilities. In the seventies, Government of India has also brought a change in its policy objective of welfare approach of women to development approach of women. Women were given priorities in all the sectors including small scale industries sector. As a result, the number of women entrepreneurs has increased over the years.

During 1980s, government and non-government bodies have paid increasing attention to women entrepreneurs through formulation of various policies and programmes and introduction of new schemes and incentives. It adopted a multi-disciplinary approach for development of women entrepreneurs. Women entrepreneurs were given top priority for implementation of programmes under agricultural and its allied activities of diary farming, poultry, animal husbandry, handlooms, handicrafts and small scale industries, etc. With growing awareness about business and due to growth of educational level, in professional education, industrialisation, urbanisation and democratic values awareness, the tradition bound Indian society has undergone a change and women entrepreneurs have shifted their entrepreneurial activities to engineering, electronics and energy. They made personal choices, stood up for their convictions and had the courage and strength to enter into new ventures. As a result of these efforts, number of women entrepreneurs has increased over the years.

In the 1990s, indicates a dismally low level of women participation in the entrepreneurial activities. In the context of the opening up of the economy and the need for upgradation of technology, the Consortium of Women Entrepreneurs of India (CWEI) is a common platform to help the very women entrepreneurs in finding innovative techniques of production and marketing and finance. Prime-Minister Rozgar Yojna (PMRY), National Rural Employment Programme and (NREP), Rural Landless Employment Guarantee Programme (RLEGP), Mahatma Gandhi National Rural Employment Guaranty Act (MGNREGA) are some of the important schemes floated by the Government which encourage women to enter into work entrepreneurial activities.

Push-pull Factors and Women Entrepreneurship

An independent occupation, a sense towards independent decision-making on their life and career are the motivational factors behind this urge. Saddled with household chores and domestic responsibilities women want to get independence. Under the influence of these factors the women entrepreneurs choose a profession as a challenge and as an urge to do something new. Such situation is described as pull factors. While in push factors women engaged in business activities due to family compulsion and the responsibility is thrust upon them.

Qualities of Women Entrepreneurs

- ✓ **Creative:** It refers to the creative approach or innovative ideas with competitive market. Well planned approach is needed to examine the existing situation and to identify the entrepreneurial opportunities. It further implies that women entrepreneur's have alliance with clued-up people and constricting the right organization offering support and service.
- ✓ **Hard working nature:** 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 make a dream transferred into an idea enterprise
- ✓ **Ability and desire to take risk:** the desire refers to the willingness to take risk and ability to the proficiency in planning making forecast estimates and calculations.
- ✓ **Profit earning capacity:** she has a capability to get maximum return out of invested capital.

Categories of Women Entrepreneurs in India

First Category

Established in big cities

Having higher level technical & professional qualifications

Nontraditional Items

Sound financial positions

Second Category

Established in cities and towns

Having sufficient education

Both traditional and nontraditional items

Undertaking women services-kindergarten, crèches, beauty parlors, health clinic, etc.

Third Category

Illiterate women

Financially weak

Involved in family business such as Agriculture, Horticulture, Animal Husbandry, Dairy, Fisheries, Agro Forestry, Handloom, Power loom etc.

Financial Support

Direct & Indirect Financial Support for the women entrepreneurs are Nationalized banks, State finance corporation, State industrial development corporation, District industries centers, Differential rate schemes, Mahila Udyug Needhi scheme, Small Industries Development Bank of India (SIDBI), State Small Industrial Development Corporations (SSIDCs) Yojna Schemes and Programme, Nehru Rojgar Yojna, Jacamar Rojgar Yojna TRYSEM, DWACRA Technological Training and Awards, Stree Shakti Package by SBI, Entrepreneurship Development Institute of India, Trade Related Entrepreneurship Assistance and Development (TREAD), National Institute of Small Business Extension Training (NSIBET), Women's University of Mumbai Federations and Associations, National Alliance of Young Entrepreneurs (NAYE), India Council of Women Entrepreneurs, New Delhi, Self Employed Women's Association (SEWA), Association of Women Entrepreneurs of Karnataka (AWEK), World Association of Women Entrepreneurs (WAVE) and Associated Country Women of the World (ACWW).

Problems of Women Entrepreneurs in India

Arrangement of Finance

For every business undertaking Finance is said to be the “life blood”, whether it is large, medium or small enterprise. Women entrepreneurs face the problems of shortage of finance on two important bases. Firstly, women do not in general have property on their own names to use that as collateral securities for obtaining loans/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. Again, many banks also consider women less credit – worthy and discourage women borrowers on belief that they can at any time leave their business. Even though women's loan repayment rates are higher than men's, women still face more difficulties in obtaining credit due to discriminatory attitudes of banks and informal lending groups.

Shortage of raw-materials

Women entrepreneurs encounter the problems 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.

Cut-throat Competition

Lot of the women entrepreneurs have imperfect organizational set up to drive in a lot of money for canvassing and advertisements. They have to face severe

competition from organized industries. They have also to face a stiff competition with the men entrepreneurs who easily involve in the promotion and development area and carry out easy marketing of their products with both the organized sector and their male counterparts. Such a competition ultimately results in the insolvency of women entrepreneurs.

Lack of education and illiteracy amongst women

In India, women are still illiterate. Illiteracy is the root cause of socioeconomic barriers or hurdles and low level achievement and advancement motivation among women. Lack of Knowledge of latest technological change, know-how and education creates problems before women to set up competitive enterprises. Successful women entrepreneurs must be self motivated through setting up a mind and taking up risk and accepting social responsibilities on their shoulder. The other factors such as family support, government policies, financial assistance etc. are also important motivational factors to set up business.

Family Conflicts

Women also countenance the conflict of performing of home role as they are not available to spend enough time with their families. In India, mainly a woman's duty is to look after her children and manage the 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 education of children, personal hobbies, and entertainment adds to their conflicts.

Marketing Problems

Women entrepreneurs incessantly face the problems in marketing their products. It is one of the core problems as this area is mainly dominated by males and even women with adequate experience fail to make a dent. For marketing the products women entrepreneurs have to be at the mercy of middlemen who pocket the hunk of profit. Although the middlemen exploit the women entrepreneurs, the purging of middlemen is tricky, because it involves a lot of running about. Women entrepreneurs also find it difficult to capture the market and make their products popular. Indian women are neither fully aware of the changing market conditions nor can effectively utilize the services of media and internet. The confidence to travel across day and night and even different regions and states are less found in women compared to male entrepreneurs. This shows the low level freedom of expression and freedom of mobility of the women entrepreneurs. Due to stiff competition in the market and lack of mobility of women, a business woman finds it difficult to capture the market and depends on

middleman.

Lack of self-confidence and optimistic attitude amongst women

Nowadays most of the women are suffering from one major problem of lack of self-confidence, determination, physically powerful outlook, hopefulness etc. They are always in panic that they will commit mistakes while doing their piece of work. There is also limited initiative of taking risk and bearing uncertainty in them. Thus all these psychological factors often obstruct their path of achieving success in the area of enterprise. Due to lack of confidence in Indian women for their strengths and competence, the family members as well as the society are reluctant to stand beside their entrepreneurial growth. To a certain extent, this situation is changing among Indian women and yet to face a tremendous change to increase the rate of growth in entrepreneurship. Investing money, maintaining the operations and ploughing back money for surplus generation requires high risk taking attitude, courage and confidence.

High cost of production

High cost of production undermines the efficiency and adversely affects the development of women entrepreneurs. The installation of new machinery during expansion of the productive capacity and like similar factor dissuades the women entrepreneur from venturing in to new area. Government assistance in the form of grant and subsidies to some extent enables them to tide over the difficult situations. However, in the long run, it would be necessary to increase efficiency and expand productive capacity and thereby reduce cost to make their ultimate survival possible, other than these, women entrepreneurs also face the problems of labour, human resources, infrastructure, legal formalities, overload of work, lack of family support, mistrust etc.

Lack of Skills and Knowledge in Business Administration

Due to lack of skills and knowledge in business administration women entrepreneurs are facing problems in handling the business activities successfully. Women must be educated and trained constantly to acquire the skills and knowledge in all the functional areas of business management.

Socio-cultural barriers

Women's family and personal obligations are sometimes a great barrier for succeeding in business career. In India, only few women are able to manage both home and business efficiently, devoting enough time and energy to perform all their responsibilities in priority. The business success depends on the support of the family members extended to women in the business process and

management. The interest of the family members is a determinant in the realization of women folk business aspirations.

Lack of Awareness about the schemes, policies and financial assistance

Every woman entrepreneur may not be aware of those financial institutions who extend their maximum support in the form of incentives, loans, schemes etc. So the sincere efforts taken towards the improvement of women entrepreneurs may not reach the entrepreneurs in rural and backward areas.

Insufficient Training programs

In India, women are ignorant of new technologies or unskilled in their use, and often unable to do research and gain the necessary training. Due to lack of access to technical training programmes for women entrepreneurs, it becomes structural difficulties and prevent the technology from being beneficial or even available for them. Training programs and workshops for every type of entrepreneur is available through the social and welfare associations, based on duration, skill and the purpose of the training program. Such programs are really useful to new, rural and young entrepreneurs who want to set up a small and medium scale unit on their own.

Problems in identifying the available resources

Women are hesitant to find out the access to cater to their needs in the financial and marketing areas. In spite of the mushrooming growth of associations, institutions, and the schemes from the government side, women are not enterprising and dynamic to optimize the resources in the form of reserves, assets mankind or business volunteers. Getting the raw materials from different sources with discount prices is the factor that determines the profit margin. Lack of knowledge of the raw materials and low level negotiation and bargaining skills are the reasons which affect women entrepreneur's business adventures.

Male dominated society

The constitution of India speaks of equality between sexes. But in practice women are weak in all respects. In male dominated Indian society, women are not treated equal to men. This in turn serves as a entry- barrier for women to start their own enterprise.

How To Develop Women Entrepreneurs?

Right efforts on from all areas are required in the development of women entrepreneurs and their greater participation in the entrepreneurial activities. Following efforts can be taken into account for effective development of women entrepreneurs.

1. For all developmental programmes consider women as specific target group.
2. Better educational facilities and schemes should be extended to womenfolk from government part.
3. Adequate training programme on management skills to be provided to women community.
4. Vocational training to be extended to women community that enables them to understand the production process and production management.
5. Women's development corporations have to gain access to open-ended financing.
6. The financial institutions should provide more working capital assistance both for small scale venture and large scale ventures.
7. Making provision of micro credit system and enterprise credit system to the women entrepreneurs at local level.
8. Repeated gender sensitisation programmes should be held to train financiers to treat women with dignity and respect as persons in their own right.
9. Infrastructure, in the form of industrial plots and sheds, to set up industries is to be provided by state run agencies.
10. Industrial estates could also provide marketing outlets for the display and sale of products made by women.
11. A Women Entrepreneur's Guidance Cell set up to handle the various problems of women entrepreneurs all over the state.
12. District Industries Centres and Single Window Agencies should assist women in their trade and business guidance.
13. Programmes for encouraging entrepreneurship among women are to be extended at local level.
14. Training in entrepreneurial attitudes should start at the high school level through well-designed courses, which build confidence through behavioral games.
15. State finance corporations and financing institutions should permit by statute to extend purely trade related finance to women entrepreneurs.
16. More governmental schemes to motivate women entrepreneurs to engage in small scale and large-scale business ventures.
17. Involvement of Non Governmental Organizations in women entrepreneurial training programmes and counseling
18. Skill development to be done in women's polytechnics and industrial training institutes. Skills are put to work in training-cum-production workshops.
19. Training on professional competence and leadership skill to be extended to women entrepreneurs.
20. Training and counseling on a large scale of existing women entrepreneurs to remove psychological causes like lack of self-confidence and fear of success.
21. Counseling through the aid of committed NGOs, psychologists, managerial experts and technical personnel should be provided to existing and emerging women entrepreneurs.
22. Activities in which women are trained should focus on their market ability and profitability.
23. Making provision of marketing and sales assistance from government part.
24. To encourage more passive women entrepreneurs, the women training programme should be organized to recognize her own psychological needs and express them.

Future Prospects for Development of Women Entrepreneurs

Education is a boon to mankind, while lack of education to a person is a bane now-a-days. Throughout the world, we can observe that the ratio of women entrepreneurs is growing tremendously. The emergence as well as development of women entrepreneurs is quite visible in India and their over-all contribution to Indian economy is also very significant. Today the role of Women entrepreneur in economic development is inevitable because women are entering not only in selected professions but also in professions like trade, industry and engineering.

The industrial structure and the enterprises are undergoing a radical change. Information Technology has transformed the very technique of doing business. Individually, business ownership provides women with the independence they crave and with economic and social success they need. Nationally, business ownership has great importance for future economic prosperity. Globally, women are enhancing, directing, and changing the face of how business is done today. Ultimately, female business owners must be recognized for who they are, what they do, and how significantly they impact the

world's global economy.

Various initiatives are especially useful for women entrepreneurs' improvement of the entrepreneurial culture. These initiatives are to be further adjusted to appeal to women entrepreneurs. All this would provide immense confidence in the women entrepreneurs and enable them to exercise their skills, risk taking abilities, uncertainty bearing attitude while working in an enterprise.

- To inspire confidence and to “sell one's idea” is the policy nowadays being adopted by women entrepreneurs.
- Women want competent counseling in various fields such as financing, liquidity, budgeting, etc.
- Women entrepreneurs also want more appreciation of their idea on the part of the banks. Many say, however, that they themselves must also be better at selling their idea.
- With increasing government and non-government and other financial institutions assistance for various women entrepreneurs within the economy there can be significant increase in the growth of women entrepreneurship process.

Efforts are being made to coordinate with the enterprise activities of women and providing them utmost financial, morale, psychological support by various institutions working within the economy and worldwide.

Conclusion

Women have the potential and the determination to set up, uphold and supervise their own enterprises in a very systematic manner. Appropriate support and encouragement from the Society in general and family

members in particular is required to help them 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 mainstream of national economy and they can contribute to the economic progress of India in this era of globalization.

Empowering women entrepreneurs is essential for achieving the goals of sustainable development and the bottlenecks hindering their growth must be eradicated to entitle full participation in the business. Entrepreneurship among women, no doubt improves the wealth of the nation in general and of the family in particular. Women today are more willing to take up activities that were once considered the preserve of men, and have proved that they are second to no one with respect to contribution to the growth of the economy. Women entrepreneurship must be moulded properly with entrepreneurial traits and skills to meet the changes in trends, challenges in global markets and also be competent enough to sustain and strive for excellence in the entrepreneurial arena. Apart from training programs, newsletters, mentoring, trade fairs and exhibitions also can be a source for entrepreneurial development. Henceforth, promoting entrepreneurship among women is certainly a short-cut to rapid economic growth and development. Let us try to eliminate all forms of gender discrimination and thus allow 'women' to be an entrepreneur at par with men.