

Women entrepreneurship: Challenges face by women

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ABSTRACT

A business or an organization started by a group of women primarily in the hope for profits by taking the financial risks is referred to women entrepreneurship. The paradigm shift has been noticed lately in the field of women entrepreneurship because of factors like industrialization, education, awareness of democratic values and urbanization. The process mainly involves setting up of the institution, managing resources, overcoming challenges, creating employment and administrating the firm independently. A recent study shows that women share 1/3rd of the total entrepreneurship market globally.

The potential in this field has been overseen lately by the social sciences and the general society. It is often challenging for women to transit themselves from homemakers to successful business tycoons. This industry, however, is now going through a positive face in modern India as the women holders are now engaging more in micro, small and medium scale enterprises.

1. Introduction

The Term Entrepreneur has originated from a French expression enetprender that is referred to an individual who endeavours the process of managing the available resources in order to obtain the favourable outcomes and attain some share. Due to the patriarchal society, women did not have the privilege of an equal partnership in the business and were often limited to household chores traditionally. The modern society has now shown a golden phase to businesswomen as they are now encouraged to participate in a plethora of activities. The bloom in the MSME today has resulted in an increase of undertaking the entrepreneurship by women and operating it proficiently. The growth in such ventures is directly proportional to factors such as appropriate qualification, work experience, improved economic condition and financial opportunities. The class of women who embrace new avenues of economic participation are the real ambassadors of India's women entrepreneurship. The phenomenon of penetrating an organised business by women is relatively new. There is a major contribution by women entrepreneurship in Industrial development.

It is recognized by GEM (The Global Entrepreneurship Monitor) 2007 that women contribute to 1/3rd of the total entrepreneurs globally. and they are predicted to predominantly participate in informal sectors. Women are more tend to create business opportunities around their family environment and circumstances instead of adapting to a formal institution. lifestyle, home-based & gender specific entrepreneurship domains witnesses major participation by women.

In the words of president APJ Abdul Kalam "empowering women is a prerequisite for creating a good nation, when women are empowered, society with stability is assured. The President under Notification dated 9th May 2007 has amended the Government of India (Allocation of Business) Rules, 1961. Pursuant to this amendment, Ministry of Agro and Rural Industries and Ministry of Small Scale Industries(Laghu Udyog Mantralaya) have been

merged into a single Ministry, namely,
—*Ministry Of Micro, Small And Medium Enterprises*
Sukshma Laghu Aur Madhyam Udyam Mantralaya)

2. Reasons leading to women entrepreneurship

Pull factors

- Strong impulse to engage in something
- Inclination towards business
- To attain social status and achieve recognition
- Enjoying Financial independence
- Boosting confidence
- Obtaining freedom and mobility
- Enhancing risk handling ability

Push factors

- The demise of income producer in the family.
- An unexpected drop in family earnings
- Constant inadequacy in the family's income

The percentage of women entrepreneurs due to pushing factors is insignificant.

3. Hurdles for women entrepreneurship

The process of entrepreneurship remains alike for women and men irrespective of the gender but unfortunately, there are hurdles of different dimensions and magnitudes that women come across that limits them from exploring their entrepreneurial skills to its potential. Some of the common challenges are highlighted below :

Lack of Self Confidence:

Women, in general, are less assured of their competence and strengths. It is often noticed that society and family members are quite hesitant in acting as pillars for their business endeavours. This scenario has now been improving over the years but still, there is ample space for growth.

Socio-cultural barriers:

Juggling across personal & professional life due to women's family obligations acts as a roadblock in their business world. Only a small proportion of women find their

way out to manage the business efficiently and completing all the tasks in order of priority by devoting a considerable amount of time.

Market-oriented risks:

A competitive market and a paucity of commuting among women increase their dependency on making it almost indispensable. Capturing the market and creating brand awareness is challenging for numerous businesswomen. They are generally partially aware of new market trends that result in incompetent utilization of media and internet services.

Not supported by family:

Though our society is moving towards modernisation, but still there are some families who do not support women entrepreneurship to take risk. Other factors are assistance received from public in monetary terms and private institutions etc.

Knowledge in Business Administration– It is vital today that women are qualified and trained at regular intervals in order to gain proficiency in all aspects to business by developing the required skills and knowledge. The above will aid in improvised business networking and transcending decision making.

Awareness about financial assistance:

There is still a lack of awareness about the financial services among this segment even though there is a presence of numerous institutions who extend their services in the form of loan, schemes & incentives etc. These efforts by such financial aid companies at times fall short of target women entrepreneurs from rural areas.

Exposure to Training programmes:

Welfare and social associations today provides a range of workshops and training programmes that suit the requirements which are duration & skill based.

These initiatives are advantageous for all sorts of entrepreneurs who are keen to start a small or medium scale enterprise.

Identifying the available resources:

Women are often reluctant in discovering the sources that can accommodate their needs in the marketing and financial areas. Despite the fact that government schemes, support institutions and associations are growing at an alarming rate, women are still hesitant in optimizing their resources. These resources could be in the form of business volunteers and reserves etc.

4. Government Schemes in the interest of promoting women entrepreneurship

1) Stree Shakti Package: The State Bank of India runs this scheme that endeavours to support women entrepreneurship by extending multiple benefits such as waiving off the mortgage conditions for loans amounting to INR 5 lakhs in small sectors units or by reducing interest rates by 0.5 per cent if the loan value surpasses INR 2

lakhs. Only those enterprises where women hold more than 50% share in the capital can qualify for this scheme.

2) Mahila Udyam Nidhi Scheme: An initiative by Punjab National bank that targets to meet equity gap. Women who take up new projects in small/tiny scale sector along with rehabilitation of viable sick SSI units can seek assistance from this scheme. The maximum limit granted for loans via this scheme is INR 10 lakhs and the interest rate varies based on the market conditions and provides up to 10 years to repay this soft loan.

3) Udyogini Scheme: During the year 1997-98 the Government of Karnataka sanctioned this scheme in the interest of promoting self-reliance via self-employment, which targets mainly service & trade sector. This scheme concentrates on providing loans to empowering women and it's rendered by Sind & Sind bank.

The Maximum unit cost under this scheme is INR 1,00,000/- and the beneficiary should be between the age group of 18 to 45 years. Women of all group between including SC/ST with a minimum income of INR 40,000/- per annum can avail the benefit from this initiative. This scheme has a major impact in guarding them against private moneylenders with higher interest rates.

4) Dena Shakti Scheme: The scheme was founded by Dena Bank that aids women entrepreneurs engaged in domains like manufacturing, retail outlets, agricultural & micro-credit. The Reserve Bank of India controls the maximum ceiling limits under this scheme for different sectors under the priority sectors. For instance loans up to INR 20 Lakhs can be granted for housing, education and retail trade. Micro-credit has limit up to INR 50,000/- & the schemes specific to banks are also circulated among different branches/offices from time to time.

5) Mudra Yojana Scheme for Women: The government of India introduced this scheme in the interest of boosting women's status by granting loans and motivating them to commence new business ventures which in turn empowers them as they enjoy financial independence. Mudra Card is issued to the beneficiary that works alike credit card when the loan has been sanctioned but only 10% per cent of the total loan amount is available as funds in the card. It doesn't require any collateral security and it is categorised under 3 schemes as follows:

a) Shishu- Business projects at their initial stages can avail up to INR 50,00 under this category.

b) Kishor- Start-ups that are well established can seek amount ranging between INR 50,000 to INR 5 Lakhs under this segment.

c) Tarun- The amount up to INR 10 Lakhs can be granted under this which can only be availed by well-established business projecting an expansion and hence need more funds.

6) Annapurna Scheme: Offered by State Bank of Mysore, the scheme provides loans to women entrepreneurs who are working towards setting up small businesses in the food catering industry. The maximum amount of money that is granted under the scheme is Rs.50,000. The amount granted can be utilised to fulfill the working capital requirements of the business like buying utensils and other tools and equipment.

5. Conclusion

After having above discussion on women entrepreneurship, we come to know about the various challenges face by women. Women are working in this multifaceted world. There is increasing evidence that more and more women are taking interest in small business ownership. Government has also initiated various schemes to empower women but this is not enough. Women should be aware of all the opportunities available to them and use these schemes for the betterment of the society.

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