



## Challenges And Opportunities of Entrepreneurship: A Study with Special Reference to Women of India

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### Abstract

Women entrepreneurship should be recognized as an important source of economic growth in India. Women entrepreneurs create new jobs for themselves as well as others and also provide society with different solutions to management, organization and business problems. However, they still represent a minority of all entrepreneurs as they often face gender-based barriers to starting and growing their businesses, like discriminatory property, matrimonial and inheritance laws and/or cultural practices; lack of access to formal finance mechanisms; limited mobility and access to information and networks, etc.

**Key Words - Entrepreneurship, Women entrepreneurs, Job Creation, Skill Development, Constraints, Challenges.**

**Introduction - Entrepreneurship** is the process of designing, launching, and running a new business, i.e. a startup company offering a product, process or service. It has been defined as the “capacity and willingness to develop, organize, and manage a business venture along with any of its risks in order to make a profit.” The **entrepreneur** is “a person who organizes and manages any enterprise, especially a business, usually with considerable initiative and risk.

Women entrepreneur may be defined as a woman or group of women who initiate, organize, and run a business enterprise. In terms of Schumpeterian concept of innovative entrepreneurs, women who innovate, imitate or adopt a business activity are called “women entrepreneurs”. **Female entrepreneurs**, also known as **women entrepreneurs**, encompass approximately 1/3 of all entrepreneurs worldwide. Following are some author definitions of entrepreneurship and women entrepreneur:

1. The Entrepreneurship Center at Miami University of Ohio has an interesting definition of entrepreneurship:

“Entrepreneurship is the process of identifying, developing, and bringing a vision to life. The vision may be an innovative idea, an opportunity, or simply a better way to do something. The end result of this process is the creation of a new venture, formed under conditions of risk and considerable uncertainty.”

2. The Government of India has defined women entrepreneurs based on women participation in equity and employment of a business enterprise. Accordingly, the Government of India (G012006) has defined women entrepreneur as “an enterprise owned and controlled by a women having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generated in the enterprise to women.”

However, this definition is subject to criticism mainly on the condition of employing more than 50 per cent women workers in the enterprises owned and run by the women.

### Review of Literature:

1. Neelam (1992) found that women chose micro enterprises because they value the quality of their lives. It allows them to stay in control of both their business & their personal lives to integrate their career roles & family
2. A study by Mallika Das (2001) concluded that The initial problems faced by the women seem similar to those faced by women in western countries. However, Indian woman entrepreneurs faced lower levels of work family conflicts and seem to differ in their reasons for starting and succeeding in business
3. While another study by Pooja Nayyar, Avinash Sharma, Jatinder Kishtwaria, Aruna Rana and Neena Vyasti (2007) suggested that Poor location of unit, tough competition from larger and established units, and lack of transport facility, lack of rest and sleep and non-availability of raw material were the significant problems faced by entrepreneurs. The factors causable to these problems were; difficulty in affording own vehicle, not



being popular, heavy schedule of work and long working hours.

4. Dr. Sunil Deshpande and Ms. Sunita Sethi (2009) in their study concluded that because of attitude change, diverted conservative mindset of society to modern one, daring and risk-taking abilities of women, support and cooperation by society members, changes and relaxations in government policies, granting various upliftment schemes to women entrepreneurs etc. the percentage of women participation in the field of entrepreneurship is increasing at a considerable rate.
5. S. Vargheese Antony Jesurajan & Dr. M. Edwin Gnanadhas (2011) in their study revealed that husbands/ fathers were the main motivators for taking up entrepreneurship.

## Objectives:

**The objectives of this research paper are as follows:**

1. To identify the challenges/constraint faced by women entrepreneurs in India.
2. To recognize the opportunities of Women Entrepreneurs in India.

**Research Methodology** - This research paper is based on secondary data which has been collected from various articles, magazines, blogs, journals and web sites related to Women Entrepreneur in India.

## Challenges For Women Entrepreneurs In India

1. **Problem of Finance** - Finance is regarded as “lifeblood” for any enterprise, be it big or small. However, women entrepreneurs suffer from shortage of finance on two counts.
  - a. Firstly, women do not generally have property on their names to use them as collateral for obtaining funds from external sources. Thus, their access to the external sources of funds is limited.
  - b. Secondly, the banks also consider women less creditworthy and discourage women borrowers on the belief that they can at any time leave their business. Given such situation, women entrepreneurs are bound to rely on their own savings, if any and loans from friends and relatives who are expectedly meager and negligible. Thus, women enterprises fail due to the shortage of finance.
2. **Scarcity of Raw Material** - Most of the women enterprises are plagued by the scarcity of raw material and necessary inputs. Added to this are the high prices of raw material, on the one hand, and getting raw material at the minimum of discount, on the other. The failure of many women co-operatives in 1971 engaged in basket-making is an example how the scarcity of raw material sounds the death-knell of enterprises run by women (Gupta and Srinivasan 2009).
3. **Stiff Competition** - Women entrepreneurs do not have organizational set-up to pump in a lot of money for canvassing and advertisement. Thus, they have to face a stiff competition for marketing their products with both organized sector and their male counterparts. Such a competition ultimately results in the liquidation of women enterprises.
4. **Limited Mobility** - Unlike men, women mobility in India is highly limited due to various reasons. A single woman asking for room is still looked upon suspicion. Cumbrous exercise involved in starting an enterprise coupled with the officials humiliating attitude towards women compels them to give up idea of starting an enterprise.
5. **Family Ties** - In India, it is mainly a women's duty to look after the children and other members of the family. Man plays a secondary role only. In case of married women, she has to strike a fine balance between her business and family. Her total involvement in family leaves little or no energy and time to devote for business.
  - a. Support and approval of husbands seem necessary condition for women's entry into business. Accordingly, the educational level and family background of husbands positively influence women's entry into business activities.
6. **Lack of Education** - In India, around three-fifths (60%) of women are still illiterate.



Illiteracy is the root cause of socioeconomic problems. Due to the lack of education and that too qualitative education, women are not aware of business, technology and market knowledge. Also, lack of education causes low achievement motivation among women. Thus, lack of education creates one type or other problems for women in the setting up and running of business enterprises.

7. **Male-Dominated Society** - Male chauvinism is still the order of the day in India. The Constitution of India speaks of equality between sexes. But, in practice, women are looked upon as abla, i.e. weak in all respects. Women suffer from male reservations about a women's role, ability and capacity and are treated accordingly. In nutshell, in the male-dominated Indian society, women are not treated equal to men. This, in turn, serves as a barrier to women entry into business.
8. **Low Risk-Bearing Ability** - Women in India lead a protected life. They are less educated and economically not self-dependent. All these reduce their ability to bear risk involved in running an enterprise. Risk-bearing is an essential requisite of a successful entrepreneur.
9. in addition to above problems, inadequate infrastructural facilities, shortage of power, high cost of production, social attitude, low need for achievement and socio-economic constraints also hold the women back from entering into business

**Policies And Schemes For Women Entrepreneurs In India** - In India, the Micro, Small & Medium Enterprises development organisations, various State Small Industries Development Corporations, the Nationalised 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. For instance, under **Prime Minister's Rozgar Yojana (PMRY)**, preference is given to women beneficiaries. The government has also made several relaxations for women to facilitate the participation of women beneficiaries in this scheme. Similarly, under the **MSE Cluster Development Programme** by Ministry of MSME, the contribution from the Ministry of MSME varies between 30-80% of the total project in case of hard intervention, 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. Similarly, under the **Credit Guarantee Fund Scheme for Micro and Small Enterprises**, the guarantee cover is generally available upto 75% of the loans extended; however the extent of guarantee cover is 80% for MSEs operated and/ or owned by women.

#### **Tips For Women Entrepreneurs:**

1. **Take Up Something You Have a Passion For-** Even the best idea cannot translate into a successful business if you are not passionate about it. You need to focus on the area of work you love as only then will you put in the required effort to build a business based on it. If you do not have an interest in designer wear, it is a bad idea to start a haute couture business.
2. **Trust Your Instincts** - Facts and stats may help you prepare the groundwork. But they may not work at every step. It is a good idea to rely on your instincts at times and many successful entrepreneurs, male and female, can vouch for this. This does not mean that you ignore all of the feed back you receive. Remain open-minded to



positive opinions as well as the negative ones.

3. **Prepare a Business Plan** - A sailor is lost without a map. Similarly, an entrepreneur is lost without a business plan. If you do not have a business plan yet, it is high time to create one. It will set the steps you need to follow to succeed. It will also convince investors that you are serious about your endeavor.
4. **Hoard the Cash** - Life is not a bed of roses and neither is business. Keep in mind, there will be ups and downs from day one. It is important to accumulate as much cash as possible before you take the first step. You will need it to keep you and your business afloat for a while once you enter the world of the self-employed.
5. **Learn as Much as Possible About Finances** - It is always best to hire an accountant to work with you when you first start a business, man or woman. It is also important to learn about taxes and related matters to ensure that they do not become a problem for you later on down the line.
6. **Know Your Target Customers** - Who do you target to sell to? For example, if you are into haute couture, you need to focus on the modern day fashion conscious female. Create contacts and conduct surveys to know all that you need to know about your customers. This will help you learn to address their needs/wants and provide suitable products/services.
7. **Build Relationships with Outsourcing Partners** - For a majority of new entrepreneurs, it may be best to outsource the tasks that take up too much time and effort and yet, are not related to your core business area. Keep in mind that the providers are your partners; they work with you, not for you.
8. **Set Realistic Goals** - If you think that you are going to earn profits within a week of starting a business, you are not on track. Many times, new businesses take months or even years to get back the cash originally invested. Take one step at a time and set achievable goals. Nothing beats hard work.
9. **Be Helpful** - The best and easiest way to get help from others is to help them first. A business is as much about value creation as it is about profits. Contribute in any way you can. Introduce people to each other, create write-ups, suggest important events and do everything to extend help.
10. **Most Importantly-Believe in Yourself**- There is no secret to success for the self-employed. The only thing that works is a good combination of planning and hard work. Whatever you do, don't give up. A business can experience highs and lows. Just don't let them discourage you into quitting. A woman has the best chances of success as an entrepreneur if she knows how to create the right balance. It is necessary to plan well and involve people who will be honest and supportive throughout the ups and downs of your new business.

**Conclusion** - Inspite of facing innumerable challenges from society, family and industry, Women entrepreneurs are in ecommerce, education, travel, fashion, retail, fitness, hiring, and anything and everything under the sun. They are proceeding with gumption and unbridled enthusiasm to change the world around them, make a difference with their ideas, seek solutions that have never been sought, fight diseases and social norms, run successful ventures and generate employment for many, and give rise to new sustainable ecosystems.

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