WOMEN ENTREPRENEURS IN INDIA: MOTIVATIONS, CHALLENGES AND PROSPECTS

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ABSTRACT
The economic development of a country depends on utilization of its human resources. In India women constitute almost half of total population. It is realized now that women are valuable human resources and their role in the economy of a nation is crucial. The age-old Indian perception of a woman only as a homemaker is gradually vanishing. Women in modern India have proved themselves in many fields including entrepreneurship which has been men dominated phenomenon. Though majority of women have enterprises at micro level, success of women in large scale enterprises cannot be ignored. The present paper discusses the factors which motivate Indian women to enter into entrepreneurship and the practical problems encountered by them. The study aims to identify the strategies which would create environment for women entrepreneurs or entrepreneurs in the making. The case studies of women entrepreneurs are conducted and the factors which influenced them to become successful are discussed.

Keywords: Women entrepreneurs; Motivation; Modern India

INTRODUCTION
Entrepreneurship is a crucial factor for the acceleration of economic growth of any country. Entrepreneurship is believed to create new businesses which create jobs, provide people with a variety of products and services. It intensifies competition, increases productivity through technological advancements and improves quality of life. The economic development of advanced countries to a large extent has been attributed to growth of entrepreneurship in small and medium enterprises. In these countries majority of small enterprises have been managed by women. Though entrepreneurship has been predominantly a man’s world in India, quite a large number of women have set up their enterprises. Few of these women entrepreneurs have created their position in the industry. But Indian woman’s participation in trade industry and commerce still remains poor.

The Micro, Small, and Medium enterprises (MSME) sector plays significant role in the economic and social development of country. MSMES are credited with generating highest rating of employment growth and account for a major share of industrial production and exports. It is estimated that MSMES in India contribute 45% of industrial output, 40% of exports and employ nearly 59.5 million people in over 26.1 million MSME enterprises with over 6000 products ranging from traditional to high tech items manufactured. Women owned enterprises contribute 3.09% of industrial output and employ over 8 million people. Government has setup various institutions at national and state level to assist women entering in the world of entrepreneurship.

This paper attempts to study the present status of women entrepreneurs in India and recommends measures for further development of women owned businesses.
OBJECTIVES OF THE STUDY

- To study present status of Indian women entrepreneurs.
- To study the factors that influence Indian women to become entrepreneurs.
- To identify practical problems faced by Indian women entrepreneurs.
- To recommend measures that will create enabling environment for Indian women entrepreneurs.

RESEARCH METHODOLOGY

The study focuses on extensive study of secondary data collected from various books, journals, publications from various websites and reports from national and international research institutes, reports of ministry of Government of India.

Present status of women entrepreneurs

The World Bank defines empowerment as “the process of increasing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes. Central to this process are actions which both build individual and collective assets and improve efficiency and fairness of the organizational and institutional context which govern the use of these assets.”

Entrepreneurship development among women can be considered as a possible approach to economic empowerment of women. The Industrial Policy Resolution of 1978 recognized women entrepreneurs as a special group, needing assistance and support. The year 2000 was declared as the year of Empowerment of Women in India and National Policy for Empowerment of Women was formally announced in 2001. The definition of a women-entrepreneur-promoted enterprise announced in 1978 was modified in the Small and Tiny Enterprises Policy of 1991.

A women entrepreneur-promoted enterprise is defined as a Micro, Small or Medium, manufacturing or service enterprise managed by one or more women entrepreneurs in proprietary concerns or other forms of organization and in which she/they individually or jointly have a share capital of not less than 51% as partners/sharholders/directors of a private limited company members of a cooperative society. As per the Fourth All India Census on Micro, Small and Medium Enterprises (MSMEs) covering registered and unregistered segments of MSMEs, with reference year as 2006-07, following is the status of women entrepreneurs in India.

- Dominance of male in ownership is observed in both registered as well as unregistered MSMEs. For registered sector, male owned 86.28% of enterprises as compared to 13.72% owned by female. For unregistered sector, male owned 90.445% of enterprises as compared to 9.09% owned by female.

<table>
<thead>
<tr>
<th>Percentage Distribution of enterprises by gender of owner in rural and urban areas</th>
<th>Registered MSME</th>
<th>Unregistered MSME</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td>Rural</td>
<td>15.27</td>
<td>84.73</td>
</tr>
<tr>
<td>Urban</td>
<td>12.45</td>
<td>87.55</td>
</tr>
<tr>
<td>All</td>
<td>13.72</td>
<td>86.28</td>
</tr>
</tbody>
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Source: Fourth All India Census of MSME 2006-07, Ministry of MSME

- Dominance of male in ownership is observed in all the segments of MSME sector. Also most of the women enterprises are micro enterprises in registered as well as unregistered MSMEs.
Majority of women enterprises are in manufacturing sector (50.4%) 

Source: Fourth All India Census of MSME 2006-07, Ministry of MSME

- Almost 90% of enterprises are under proprietorship or Hindu Undivided Family (HUF). Out of 1,408,760 under proprietorship or HUF, 13% are owned by women. Women largely prefer being proprietors in business.
- As per Statistics on Women in India (2010), the control over economic resources is a measure of women’s economic independence. The share of women holding credit bank accounts is significantly low, only 11.72% of total credit accounts are owned by women. It indicates that women do not have sufficient access to credit support.

Factors influencing Indian women to be in entrepreneurship

Women entrepreneurs are influenced by push factors such as need for better income, unemployment, unsatisfactory work conditions, desire for better life, need for recognition, and motivation from Government schemes for assistance. Factors such as desire to be one’s own boss, sense of achievement, personal satisfaction, implementation of innovation, search for a challenge, challenging or rejecting gender stereotypes pull women in business.

- Economic need: Women in low income and low education group start enterprise to support family earning out of sense of responsibility and obligation towards the family. Need for greater income is observed among women from mid-income group to start a business.
- Personal satisfaction and achievement: Women from high education level start enterprise to achieve the goal through a successful career. Also they perceive entrepreneurship as a challenge, ambition fulfilling and doing something fruitful. Younger women are more achievement oriented than women entrepreneurs in older age group.
- Desire to be financially independent: Women from high education level are more influenced by this factor. Women start business to crate self- identity, self-respect and also to earn prestige, status in the family and society.
- Continuing family occupation: women from business background start helping their father/husband and continue enterprises.
Use of free time: Very few women start enterprise to utilize free time.

Inspiring cases of women entrepreneurs: Success stories of women from different corners of the world inspire women to start a business.

Motivational factors for starting a business for women entrepreneurs are necessary versus opportunity oriented. Necessary motivation is relatively more dominant in low income and low education level group. These women are often pushed into businesses. Opportunity motivation is more prevalent in mid, high income and high education level.

Practical Problems Encountered by Women Entrepreneurs in India

- Shortage of finance: Access to finance is biggest barrier to growth and development for women owned MSMEs. In India, parental immovable property or business goes to the male child by succession. Women generally do not have property in their names. Hence it is very difficult for women entrepreneurs to access loan facilities from formal financial institutions as they are unable to provide security. There continues to be heavy reliance on informal sources of finance for seed capital and working capital requirement.

- Complex process: Legal formalities required to register a business is complicated as well as expensive for women entrepreneurs. According to the World Bank’s Doing Business 2013 data, India ranks 132 out of 185 countries in ease of doing business. Starting a business where India ranks 173, takes about 12 procedures, 27 days and a paid up capital of 140% per capita income. By contrast, it takes only 7 procedures, 19 days and 18% of per capita income on average to our neighbors in South Asia. After completing initial procedures, entrepreneurs have to obtain a number of clearances which require separate visits to various authorities. Many processes especially at state level, remain complex, forcing entrepreneurs to hire a consultant, thereby adding to the costs.

- Marketing: Women Entrepreneurs face problem of marketing of products and services. Due to lack of funds wide publicity is not possible. Lack of awareness and low literacy rate add to the problem as they do not know to use various means to advertise. Exports remain a distant dream.

- Stiff competition: In this era of globalization, industry offers a variety of products and services which are promoted using modern techniques and strategies by well-established business companies. Women entrepreneurs have to struggle to set a place or sustain in the industry.

- Experience and training: Many women entrepreneurs start a business without prior experience or training in the respective field. Women start it on trial and error basis, but may not succeed in the long run.

- Raw material: Most women face scarcity of quality raw material. This affects quality of finished products which in turn lowers profit margin.

- Risk-taking ability: Indian women are mostly economically dependent on their male members in the family. This reduces their ability to bear the risks and taking decisions needed to carry business ahead.

- Literacy: As per 2011 Census of India, 30% women are illiterate compared with 13% illiteracy among men. Lack of education among women results in lack of knowledge and information about running business successfully. Women with no literacy or low literacy also lack self-esteem and self-confidence.

- Family support: Women undergo pressure balancing business-family responsibilities. As per Indian culture, a woman is prime care-giver for children and elders. As a result, women entrepreneurs often need to juggle both family and business. Their geographical mobility is
restricted as they choose to operate business from home to continue to fulfill family responsibilities and have smaller network. In the absence of assistance and co-operation from family, women entrepreneurs cannot grow in business.

- **Society:** In India, entrepreneurship is considered as man’s world. Women’s opinions are not taken seriously. Men do not like to have woman as a boss. Women entrepreneurs face problems in dealing with men in business. It is really hard for them to break into male oriented business culture and business networks dominated by men.

According to 2013 Human Development Report, India ranks 132th out of 186 countries in its gender inequality index. This makes it South Asia’s worst performing country after Afghanistan, Pakistan, Nepal and Bangladesh, which have lower HDI, all do comparatively better than India when it comes to gender equality.

- **Health:** As per national Family Health Survey, 45% of women in the age group 20-24 years, marry before the legal age of marriage of 18 years. Early marriage, child bearing at early age inadequate health care, all these factors affect woman’s health. More than half of the women (55%) in India are anemic. In all nearly half of married women are either underweight or overweight. The experience of spousal violence ranges from a low of 6% (in Himachal Pradesh) to a high of 59% (in Bihar).

Indian women entrepreneurs find difficult to continue with business after certain age without health of body and mind.

**RECOMMENDATIONS**

**Role of Government**

The execution of existing schemes and strategies for promoting women enterprises should be assessed critically. Impact of MSME related policies on women enterprises should be evaluated periodically.

State Governments should set up ‘one stop shop’ for women enterprises at local levels which will assist women for availing services like finance, raw material, skilled labour, marketing products and services etc. Once business is set up entrepreneurs can be charged for these services.

One stop registration system can be introduced where an applicant can fill up a single application with information necessary for all the departments.

A credit guarantee scheme needs to be framed to enable women entrepreneurs to borrow from formal financial institutions in the absence of collateral. Also amendment of regulations to address issues related to inheritance of property and land ownership of women is necessary.

Income tax rates for income of women entrepreneurs should be reduced. Also stamp duty and registration fees on property purchase can be kept minimum to encourage women entrepreneurs to invest in property for expansion of business.

Central and state Governments should organize trade fair, exhibitions at international, national and local level at regular intervals. This will assist women entrepreneurs in marketing their products and services.

Basic amenities like public transport, health care, child care etc. should be provided in industrial area which should be close to residential area and environment at work place should be safe for women entrepreneurs.

Need based training programs should be arranged by state Government for making women aware of various products and services, marketing prospects, investments, advertisement of businesses, updating technology advancements, developing managerial skills etc.

State Government should introduce ‘Entrepreneurial Development’ in school curriculum. Success stories of entrepreneurs in particular women entrepreneurs should be part of syllabus.
State Government should form grievance cell at all levels to tackle practical problems encountered by women entrepreneurs. Such cells should have women friendly staff with knowledge of local geography, culture and language.

**Role of formal financial institutions**

Simplify approval process to reduce visits to bank. Collateral-free lending can be introduced for women entrepreneurs.

Signature of male members in a family to approve loan application should not be mandatory.

Awareness programs should be conducted regularly to inform women about schemes and to help them to form strategy as per their need.

Staff in banks should be friendly and approachable. Female relationship managers can be hired to target women entrepreneurs.

**Role of educational institutions**

School and colleges should encourage their students, especially female students to open a bank account. A one day camp can be arranged with the help of bank officials in the vicinity.

Training programs can be organized to identify entrepreneurial qualities among students since school days. Women entrepreneurs can be invited to share their journey on the path of entrepreneurship. Colleges can ask the students to observe and submit projects on enterprises in the vicinity.

**Role of society**

Society needs to change its mindset towards women. Women Entrepreneurs cannot attain desired success if society does not have healthy approach for its women. The potential of women should be given scope. Women Entrepreneurs need to be taken seriously. Gender equality needs to be practiced at work place. Male workers should accept their female managers as managers and not as just women.

Women entrepreneur should be able to travel any time any place in a country without male company. Men helping women at home in daily chores, child care etc. should be a norm and not exception in society.

**Role of Family**

Family is very important part for women entrepreneurs. It is family which recognizes abilities and desires of a woman first. She should be given equal opportunities to explore her potential. Responsibilities at home should be shared by family members. A woman should have a voice over decision making. If family is not supportive, women are most likely to choose not to pursue a career in entrepreneurship.

**Case Studies**

**Kalpana Saroj:** Born into a low caste Dalit family, forced into marriage at 16, tortured with physical and verbal abuse by in-laws in slum, attempted suicide after not being able to cope with pressure for leaving husband, when saved by her Aunt, she decided to do something big before dying. She began her journey with earning of just Rs. 2 a day with tailoring, working 16 hours a day, opened a furniture shop. She ventured into construction, built ‘Kohinoor Plaza’ after purchase of a controversial plot for which she had to fight court cases. By now she had established herself as a woman of substance. In 2006, she took over Kamani Tubes, a metal tubing factory that had 1.1 billion Rs. Debt. She not only got sick company out of huge debt but paid its workers for that period. Today this 9th class passed lady is a CEO of multimillion companies.

Kalpana Saroj, is a tough spirited women, who has defied all the obstacles, broke social restraints, raised 300 Cr business with her determination, perseverance and unbeatable entrepreneurial spirit.

It is an inspiring ‘Rags to Riches’ story for every Indian woman.
Shahnaz Husain: She borrowed loan of Rs. 35,000 from her father and started her business at home so that she can look after her children. She became mother at 16 and started studying beauty just a year later. During her training in London in Cosmetology, she came across instances of damage caused by chemical substances. That gave idea of herbal beauty. She formulated her own products based on Ayurveda. Today Shahnaz Husain is a global brand. She is a chairperson and managing director of Shahnaz Husain Group having over 400 beauty centers worldwide. She believes in ‘You can be what you will yourself to be. You can make your own destiny’. 

Always looking at obstacles and hurdles as challenges, an iron will, relentless determination to succeed, desire to excel and sheer hard work are the qualities which made this strong lady a global entrepreneur.

CONCLUSION

Women entrepreneurs represent immense economic potential. Though contribution of women-led-businesses is increasing, there is a long way to go. Indian women lag behind on many social indicators like health, education and economic opportunities. Hence they need special attention due to their vulnerability and lack of access to resources. Ministry of MSME has various schemes targeted specifically to help women entrepreneurs. The problem lies in ignorance of women-friendly measures framed by Government. Also women as entrepreneurs are still not accepted and supported by society. She is expected to balance both business as well as family. Indian society needs to change its mindset and allow its women to educate, make decisions for herself and use her in-born strength in terms of innovation and creativity. If such freedom is granted by society, it is certain that women in India will reach global from local.

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