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PROBLEMS AND CHALLENGES FACED WOMEN ENTREPRENEURS IN INDIA

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Introduction

Entrepreneurship is necessary to initiate the process of economic development of both developed and developing countries as it is the back bone of economy of any country. Entrepreneurship refers to combining the available resources of production in such a new way that it produces the goods and services more satisfactory to the customers. Entrepreneur is a catalytic agent of change. It is also instrumental in sustaining the process of economic development. Every country tries to achieve economic development for prosperity and better life standard of its people.

Development has economic, social and political dimensions and is incomplete without the development of women who constitute about 50 per cent of total population. So, contribution of women is essential in economic activities for healthy nation building. Women entrepreneur has been recognized during the last decade as an important untapped source of economic growth. Women entrepreneurs create new jobs for themselves and others and by being

different solutions to management. In today Indian scenario when India is turning out to be an economic power house the recent financial crisis which has affected countries has had its impact on the minds of women as they have understood the need to earn more. In Indian scenario, women have to face many problems and challenges in carrying out any economic activities or undertaking any entrepreneurial task. Women have to face various socio-economic and other problems as entrepreneurs as they are not treated equally to men due to social and cultural traditions.

The entrepreneurial process is the same for men and women, there are however, in practice, many problems and challenges faced by women, which are of different dimensions and magnitudes, which prevent them from realizing their full potential as entrepreneurs.

A few problems can be detailed as;

- The greatest deterrent to women entrepreneurs is that they are women. A male dominant social order is the building block to them in their way towards business success. Male members think it a



big risk financing the ventures run by women.

- The financial institutions are skeptical about the entrepreneurial abilities of women. The bankers put unrealistic and unreasonable securities to get loan to women entrepreneurs. According to a report by the United Nations Industrial Development Organization (UNIDO), "despite evidence that women's loan repayment rates are higher than men's, women still face more difficulties in obtaining credit," often due to discriminatory attitudes of banks and informal lending groups.
- Entrepreneurs usually require financial assistance of some kind to launch their ventures - be it a formal bank loan or money from a savings account. The women entrepreneurs are suffering from inadequate financial resources and working capital. The women entrepreneurs lack access to external funds due to their inability to provide tangible security. Very few women have the tangible property in hand.
- Women's family obligations also bar them from becoming successful entrepreneurs in both developed and developing nations. "Having primary responsibility for children, home and older dependent family members, few women can devote all their time and energies to their business." The financial institutions discourage women entrepreneurs on the belief that they can at any time leave their business and become housewives again. The result is that they are forced to rely on their own

savings, and loan from relatives and family friends.

- Indian women give more emphasis to family ties and relationships. Married women have to make a fine balance between business and home. More over the business success depends on the support the family members extended to women in the business process and management.
- Another argument is that women entrepreneurs have low-level management skills. They have to depend on office staffs and intermediaries, to get things done, especially, the marketing and sales side of business.
- The male - female competition is another factor, which develop hurdles to women entrepreneurs in the business management process. Despite the fact that women entrepreneurs are good in keeping their service prompt and delivery in time, due to lack of organizational skills compared to male entrepreneurs' women have to face constraints from competition. The confidence to travel across day and night and even different regions and states are less found in women as compared to male entrepreneurs. This shows the low-level freedom of expression and freedom of mobility of the women entrepreneurs.
- Knowledge of alternative source of raw materials availability and high negotiation skills are the basic requirement to run a business. Getting the raw materials from different sources with discount prices is the factor that determines



the profit margin. Lack of knowledge of availability of the raw materials and low-level negotiation and bargaining skills are the factors, which affect women entrepreneur's business adventures.

- Knowledge of latest technological changes, know how, and education level of the person are significant factor that affect business. The literacy rate of women in India is found at low level compared to male population. Many women in developing nations lack the education needed to spur successful entrepreneurship. They are ignorant of new technologies or unskilled in their use, and often unable to do research and gain the necessary training.
- Low-level risk-taking attitude is another factor affecting women folk decision to get into business. Low-level education provides low-level self-confidence and self-reliance to the women folk to engage in business. Investing money, maintaining the operations and ploughing back money for surplus generation requires high risk-taking attitude, courage and confidence.

Major Challenges Faced by Women Entrepreneurs in India

1. Balance between family and career-

Women in India are very emotionally attached to their home and families. They are supposed to attend to all the domestic work, to look after the children and other family members. They are overburdened with family responsibilities like taking care of husband, children and in laws which takes away a lot of their time and energy. In such situation, it is very difficult to

concentrate and run an organization successfully and efficiently.

2. Socio-cultural barriers- The traditions and customs prevailing in Indian societies sometimes stand as an obstacle before women which stop them from growing and prospering. Castes and religions dominate our society and hinder women entrepreneurs too. In rural areas, they face even greater social barriers. They are always seen with an eye of suspicion.

3. Male dominated society- Even though our constitution speaks of equality between genders, male superiority is still the order of the day. Women are not treated equal to men. Their entry into business requires the approval of the head of the family who is mostly a male member. Entrepreneurship has traditionally been seen as a male task. All these hampers the growth of women entrepreneurs.

4. Illiteracy or low level of Education- Women in India are lagging far behind in the field of education. Even after more than 60 years of independence many women are still illiterate. Those who are educated are provided either less or inadequate education than their male counterpart partly due to early marriage, partly due to household responsibilities and partly due to poverty. Due to lack of proper education, most women entrepreneurs remain in dark about the development of new technology, new methods of production, marketing, networking and other governmental support which will encourage them to rise in the field of management.

5. Dearth of financial assistance- Women entrepreneurs suffer a lot in raising and meeting the financial needs of the business. Bankers, creditors and financial institutes do not come forward to provide financial assistance to women borrowers on the ground of their less credit worthiness. They



also face financial problem due to blockage of funds in raw materials, inventory, work-in-progress, finished goods and non-receipt of payment from customers in time.

6. Lack of Technical knowhow- Management has become a specialized job which only efficient managers perform. Women entrepreneurs sometimes are not efficient in managerial functions like planning, organizing, controlling, directing, motivating, recruiting, coordinating, and leading an enterprise. Therefore, less and limited managerial ability of women has become a problem for them to run the enterprise successfully.

7. Marketing Skills- Since most women cannot run around for marketing, distribution and money collection, they have to depend on middle men for the above activities. Middle men tend to exploit them in the appearance of helping. They work in order to add their own profit margin which result in less sales and lesser profit for women entrepreneurs.

8. Entrepreneurial Skill- Lack of entrepreneurial aptitude is a matter of concern for women entrepreneurs. They have limited entrepreneurial abilities. Even after attending various training programmes on entrepreneurship women entrepreneurs fail to overcome the risks and troubles that may come up in an organizational working.

9. Lack of Self-Confidence- Women entrepreneurs because of their inherent nature, lack self-confidence which is essentially a motivating factor in running an enterprise successfully. They have to work hard to strike a balance between managing a family and managing an enterprise. Sometimes they have to sacrifice their entrepreneurial urge in order to strike a balance between the two which results in loss of a prospective entrepreneur.

10. Mobility Constraints- Women mobility in India is highly limited and has become a problem due to traditional values and limited driving skills. Moving alone and asking for a room to stay out at night for business purposes is still looked upon with suspicious eyes. Sometimes, inexperienced women feel uncomfortable in dealing with men who show extra interest in them other than work related aspects.

Suggestions to Overcome the Challenges

1. Government should provide separate financial aid to women entrepreneurs so that they do not face any difficulty in setting up their organization.

2. Special infrastructural facilities should be provided to help women in establishing their enterprise easily and quickly.

3. Training Programmes specially directed at women entrepreneurs should be conducted to enhance their entrepreneurial skills and abilities which help them in day-to-day functioning of business.

4. Top ranking women entrepreneurs must be felicitated so that more women are encouraged and motivated to pursue such careers.

5. Provision for better educational facilities should be provided starting from school and further for higher education and also several vocational studies.

6. Women Entrepreneurs' Guidance cell should be opened in all cities to handle problems related to day-to-day functioning like production, marketing, and distribution problems.

7. Several legal policies and regulations for the setup of an enterprise by women must be simplified to help women entrepreneurs in establishing their business and getting speedy approval regarding several legal formalities.



8. Mostly importantly the support of family members is required so that women can move out of their homes with confidence. They can give better output when it is known to them that their decisions are supported by their family.

9. Organization of fairs, exhibitions and workshops for women entrepreneurs which will help them to connect with each other and share ideas and problems. It will also provide guidance to new women entrepreneurs who can take help and suggestions from their already established counterparts.

10. Making provision for marketing and sales assistance so that women entrepreneurs are not cheated by middle men.

Conclusion

Women entrepreneur face lots of challenges and problems like financial assistance, family obligations, family ties and relationships, low-level management skills, male - female competition, lack of knowledge of availability of the raw materials and low-level negotiation and bargaining skill, knowledge of latest technological changes, low-level risk taking attitude, balance between family and career, socio-cultural barriers, male dominated society, illiteracy or low level of education, dearth of financial assistance, lack of technical knowhow, marketing skills, entrepreneurial skill, lack of self-confidence, mobility constraints. So many supportive schemes have been implemented by the agencies of the ministry of rural development and ministry of micro, small and medium enterprise. Women entrepreneurship provides financial self-reliance, empowerment, self-satisfaction, personal independence and growth, societal recognition and respect for women entrepreneurs.