

## **Women Entrepreneurs**

Women constitute about 50% of the world population. In traditional societies , they are confined to performing household activities. But today, in modern society, they have moved out of four walls of the house and are taking part in all areas of life. Today, the entrepreneurial world is open to the womenfolk. It is estimated that presently women entrepreneurs comprise about 10% of the total entrepreneurs in India. This percentage is growing every year.

### **The concept of Women Entrepreneurship**

According to the general concept, woman entrepreneur may be defined as *“a woman or a group of women who initiate, organise and operate a business enterprise.”*

The Government of India has defined a women entrepreneurship as *“an enterprise owned and controlled by a woman having a minimum financial interest of 51% of capital and giving at least 51% of the employment generated in the enterprise to woman.”*

Kerala Government defined woman industrial units as *“units owned and organised by women and engaged in small scale and cottage industries with not less than 80% Of the total workers as women.*

With effect from 6<sup>th</sup> February 1992, the definition of women entrepreneurs' enterprise is as follows:

*“ A small industrial unit/ industrially related services or business enterprise managed by one or more women entrepreneurs in proprietary concerns in which she/they will individually or jointly have share capital of not less than 51% as partners /shareholders/directors of private limited company, members of co operative society.”*

In short, women entrepreneurs are those women who think of a business enterprise, initiate it, organise it, operate it and undertake risks and uncertainty involved in business.

### **REASONS FOR THE SLOW GROWTH OF WOMEN ENTREPRENEURSHIP IN KERALA**

In spite of the initiatives taken by the government, the growth of women entrepreneurship is very slow in the state. The reasons are outlined as below:

1. Unfavourable family background.
2. Lack of business education.
3. Dual role of women.
4. Lack of aptitude and training.
5. Lack of freedom to choose a job according to ability, interest etc.
6. Family burden
7. Inadequate infrastructure facilities.
8. Shortage of capital and technical know how
9. Lack of adequate transport and communication facilities.
10. Shortage of power.
11. Lack of security.
12. Absence of ideal market condition.
13. Corruption in administration.

### **PROBLEMS (CHALLENGES) OF WOMEN ENTREPRENEURS**

Women entrepreneurs face two sets of problems, namely, general problems of entrepreneurs and problems specific to women entrepreneurs. These are summarised as follows.

1. Shortage of finance: women entrepreneurs always suffer from inadequate fixed and working capital. They cannot raise external funds because they do not have tangible security to provide. Banks have also taken a negative

attitude while lending to women entrepreneurs. Thus women entrepreneurs rely often on personal savings and loans from family and friends.

2. Shortage of raw material: women entrepreneurs find it difficult to procure materials and necessary inputs. The prices of many raw materials are quite high.
3. Inadequate marketing facilities: most of the women entrepreneurs depend on intermediaries for marketing their products. They exploit the women entrepreneurs. Further, it is very difficult for the women entrepreneurs to explore the market and to make their products popular.
4. Keen competition: women entrepreneurs face tough competition from male entrepreneurs and also from organised industries. They cannot afford to spend large sums on advertisement. Again they cannot appoint selling agencies. Thus they will have to struggle for the existence in the market.
5. High cost of production: this is perhaps the, most important problem of a women entrepreneur faces. High price of material, low productivity, etc. account for high cost of production. The government assistance and subsidies would not be sufficient for the survival.
6. Family responsibilities: it is the duty of women entrepreneur to look after the children and family members. Hence she cannot put her full involvement in the business. The other members in the family may not be co operative in the running of the business. Occupational backgrounds of family and education level of husband have a direct impact on the development of women entrepreneurship.
7. Low mobility: one of the main drawbacks of women entrepreneur is her inability to travel from one place to another for business purposes. Sometimes licensing authorities, labour officials and sales tax officials harass them.
8. Lack of education: it is believed that man is the bread – winner of the society. In the male dominated society, a woman is discouraged to learn more by the male members of the family. There exists a belief that investing for woman education is a liability, not an asset. Even if she is educated, she may not have technical knowledge and business education.

Lack of knowledge and experience creates further problems in the setting up and operation of business.

9. Low capacity to bear risks: women lead a protected life dominated by the family members. She is not economically independent. All these reduce her ability to bear risks. She may not have confidence to bear the risks alone.
10. Social attitude: The biggest problem of a woman entrepreneur is the social attitude and the conditions in which she has to live and work. Women do not get equal treatment in a male dominated society. Wherever she goes she faces discrimination. The male ego stands in the way of success of women entrepreneurs. Thus rigid social attitudes prevent a woman from becoming a successful entrepreneur.
11. Low need for achievement: for success in business, what is important is need for achievement. Generally, a woman will not have strong need for achievement. Her pre – conceived notions about her role in life inhibit achievements and independence.
12. Lack of training: A woman entrepreneur from middle class starts her first entrepreneurial venture without proper knowledge and training. Lack of business training is one of the biggest problem of a woman entrepreneur. this is absolutely true in the case of rural women entrepreneurs who are uneducated.
13. Lack of information: women entrepreneurs sometimes are not aware of technological developments and other information on subsidies and concessions available to them. They may not know how to get loans, industrial estates, raw materials etc.

### **REMEDIES TO SOLVE THE PROBLEMS OF WOMEN ENTREPRENEURS**

The following measures may be taken to solve the problems faced by women entrepreneurs:

1. In banks and public financial institutions, special cells may be opened for providing easy finance to women entrepreneurs. Further finance may be provided at concessional rate of interest.

2. Women entrepreneurs should be encouraged and assisted to set up co operative with a view to eliminate middlemen. These co operatives will pool the inputs of women enterprises and sell them on remunerative prices.
3. Scarce and imported raw materials may be made available to women entrepreneurs on priority basis.
4. Steps may be taken to make family members aware of the potential of girls and their role in society. At the same time there must be change in the negative attitude of society towards women.
5. Honest and sincere attempt should be undertaken by the government and social organisations to increase literacy among females.
6. In rural areas self employment opportunities should be developed for helping women.
7. Marketing facilities for the purpose of buying and selling of both raw materials and finished goods should be provided in easy reach.
8. Facilities for training and development must be made available to women entrepreneurs.

### **MEASURES TAKEN FOR THE DEVELOPMENT OF WOMEN ENTREPRENEURSHIP IN INDIA(Recent Trends)**

Women constitute half of the world population, and women empowerment should be one of the primary goals of a society. Women should be given equality, right of decision making and entitlements in terms of dignity. They should attain economic independence. These are essential for women empowerment. The most important step to achieve women empowerment is to create awareness among the women themselves.

Development of women can be achieved through health, education and economic independence. Economic independence can be attained by entering into industrial or business activities. But there are a large number of problems which the women entrepreneurs face today. Realising the importance of women entrepreneurs, Govt. Of India has taken a number of

measures to assist them. Some of the important measures are outlined as follows:

**TRYSEM: (Training of Rural Youth for Self Employment )**

TRYSEM was launched on 15<sup>th</sup> August 1979 . The objective of TRYSEM is to provide technical skills to rural youth between 18 and 35 years of age from families below the poverty line to enable them to take up self employment in agriculture and allied activities ,industries, services and business activities. This is a sub scheme of IRDP. Here too 40% of the TRYSEM trainees must be women.

**BANKS:** banks particularly commercial banks have formulated several schemes to benefit women entrepreneurs. These include Rural Entrepreneurship Development Programme and other training programmes. , women self help groups, promotion of rural non-farm enterprise, women ventures etc. likewise bulk lending to NGOs for all lending to rural micro and household enterprises is also [provided by banks.

**NABARD:** NABARD has also formulated a scheme for providing assistance to rural women in non-farm development. NABARD as an apex institution guides and assist commercial banks in paying special attention to women beneficiaries while financing.

**INDUSTRIAL POLICY:** Government in their industrial policy highlighted the need for conducting special entrepreneurship programme for women. It would be in the nature of product-process oriented course meant for women entrepreneurs to enable them to start small scale industries.

Institutions and voluntary associations: In India several institutions have been set up to protect and develop women entrepreneurship.

**NAYE (National Alliance of Young Entrepreneurs)** has been a leading institution engaged in the promotion and development of entrepreneurship among women. It set up a women's wing in 1975. It convened a conference

of women entrepreneurs in November 1975. Women's wing of NAYE assist the women entrepreneurs in:

- a) Getting better access to capital , infrastructure and markets
- b) Identifying investment opportunities.
- c) Organising seminars, workshops, and training programmes.
- d) Developing managerial and productive capabilities.
- e) Sponsoring delegation, participation in trade fairs, exhibitions etc.

### **NATIONAL POLICY FOR THE EMPOWERMENT OF WOMEN, 2001:**

As a follow up action to the commitments made by India during the fourth World Conference on women held in Beijing during September ,1995,the department of women and children has drafted a national policy for the empowerment of women. This is meant to enhance the status of women in all walks of life at par with men.

### **ASSISTANCE TO WOMEN ENTREPRENEURS**

Entrepreneurship does not differentiate the sex. A number of facilities and assistance are offered to the entrepreneurs. These equally apply to women entrepreneurs. However, certain additional facilities and incentives are offered to women entrepreneurs to motivate them and to bring them in the mainstream of industrial development. They are:

### **Small Industrial development Corporation (SIDO):**

SIDO through a network of SISIs conduct the EDPs exclusively for women entrepreneurs. The aim is to develop entrepreneurial traits and qualities among women and enable them to identify entrepreneurial opportunities etc. SISIs provide technical consultancy and guidance to the women entrepreneurs in right selection of enterprise, preparation of feasibility reports etc.

**National Small Industries Corporation (NSIC):** It provide preferential treatment to women entrepreneurs. It conducts Entrepreneurs and Enterprise Building Programmes for women.

**Industrial Development Bank of India(IDBI):** The schemes of IDBI for women entrepreneurs are summarised as promoters contribution, Mahila Udyan Nidhi(MUN) , Mahila Vikas Nidhi (MVN) , training and extension services etc.

**Small Industries Development Bank of India(SIDBI):** SIDBI has special schemes for financial assistance to women entrepreneurs. It provides training and extension services. It gives financial assistance at concessional terms to help women entrepreneurs in setting up tiny and small units. The schemes are operated through SFCs and State Industrial Development Corporations.

**Commercial Banks:** A number of commercial banks have evolved their own schemes of financial assistance to women entrepreneurs. The “sthree shakthi Package Scheme” of SBI provides a package of assistance to women entrepreneurs.

Bank of India has introduced a scheme known as “Priyadarshini Yojana” to help women entrepreneurs. The scheme aims at providing financial assistance to women entrepreneurs coming under specified categories.

### **KUDUMBASREE UNITS**

With the objective of poverty eradication and women empowerment, kudumbasree has been introduced in Kerala. Under this, the women from poor families are identified. The poor women are organised into community based organisations. They start and operate micro enterprises. They earn income through self employment .

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