

## **CHAPTER – VI**

### **WOMEN ENTREPRENEURSHIP: PROBLEMS AND THE SUPPORT SYSTEM**

#### **Section I**

##### **6.1 Introduction**

“Life for a woman entrepreneur having a small-scale unit is not a bed of roses. The individual women entrepreneurs single-handedly face a plethora of seemingly endless problems”(Vinze, 1987).

“The development of entrepreneurship depends very much on organisation, education, stimulation and motivation of the clientele through a concerted and systematic approach focuses on individuals and groups. The government development agencies and institutions have made serious attempts to undertake the task of entrepreneurial promotion”(Vijaya, 2000). “Issues involving women are closely related to supportive services. These refer to the gamut of services and amenities that make the women more functional and productive, while at the same time reduce the overburdening drudgery of the daily chores which she is expected to perform for the survival of her family”(Arya, 2000). “The entrepreneurship activity in any country owes a great deal to the promotional activities of government and financial institutions” (Basotia and Sharma, 1999).

This chapter deals with the problems faced by women entrepreneurs and support system available to promote and encourage entrepreneurship among women. Section one deals with the problems faced by women as entrepreneur. Section two deals with the role of government and different agencies/ organisations and various support systems made available to women to take up entrepreneurship and section three with conclusions.

## 6.2 Project formulation

Formulation of project is one of the most important tasks involved. As one needs to keep in mind many aspects related to product selection, arranging capital and finance, raw material, etc and also the skill and knowledge of an individual. It is also believed that a well-formulated project is a passport to success.

**Table 6.01: Project formulation by the respondent (in percentage)**

Who helps respondent in formulation of project	(%)
Family members/husband	32.5
One own self	33.0
With the help of neighbours and friends	34.0
Total	100.0

32.5 percent women formulated her project with the help of family members or husband. 33 percent women formulated project on their own. And around 34 percent women took help of neighbours and friends for the same. Hence, family members and friends are a support to the women entrepreneurs in formulating projects for their venture.

**Table 6.02: Distribution of respondents facing problems in project formulation**

Respondents facing problem in project formulation	(%)
Yes	12.5
No	87.5
Total	100.0

Formulating and implementing project sometimes is difficult for new women entrepreneurs. As they lack industrial experience at times it becomes difficult for them to simultaneously co-ordinate various related and non-related activities (Moharana, 2000). Only 12.5 percent women face majority of women i.e., 87.5 percent women did not face any problem in formulating project for their venture.

**Table 6.03: Respondents facing problems in project formulation as woman**

Problems in project formulation as a woman	(%)
Yes	1.5
No	87.5
Can't say	2.0
Not applicable	1.5
Multiple response	0.5
No response	7.0
Total	100.0

So far now, it is also known and established fact that culture and social traditions play a crucial role in determining, who within the society becomes an entrepreneur. It is also believed that women entrepreneurs generally face problems in starting and operating a new enterprise as they often lack the skills, education and systems that can expedite their business pursuits. Normally the barriers faced by women in the form of banking practices, legal aspects etc. The table (6.03) shows whether they faced the problems as woman in formulating this project. Very few women felt that they faced problems as women in formulating the project. While majority i.e., 87.5 percent women felt that the problems that they faced were as an individual and not as woman. Hence, majority women feel that gender is not a barrier in project formulation.

### 6.3 Credit

To start business one needs capital but it is not necessary that one have sufficient savings and money to start a business. Easy availability of credit may promote the entrepreneurship among women.

**Table 6.04: Respondents facing problem in getting credit**

Respondents facing problem in getting credit	(%)
Yes	15.5
No	83.5
Total	100.0

Like any small/ new entrepreneur availability of adequate funds is a major constraint for women entrepreneurs too. In the case of women it is more pronounced because in most of the cases they do not have any property in their name, which can be sold or offered as tangible security for securing credit in the

money market. Banks are often sceptical about the seriousness of women entrepreneurs; moreover, the complicated procedures and delay involved in obtaining bank loans often deters women entrepreneurs from approaching them for help to meet their investment and working capital requirements”(Rajani, 2000). The table (6.04) shows whether women faced problems in getting credit. More than 15 percent women faced problem in getting credit. Whereas 83.5 percent women did not face any problem in getting credit. Many of the women have even withdrawn themselves from taking loan due to some bitter experience with bank officials. Many women mentioned that the bank officials were even harassing them. They were unnecessarily delaying the procedure and indirectly asking for bribe. In some cases they directly asked for bribe to approve their loan.

**Table 6.05: Problem faced by respondents in getting credit as a woman**

Problems faced as woman	(%)
Yes	9.5
No	7.0
Not applicable	83.5
Total	100.0

9.5 percent women feel that they faced problem in getting credit because they were women. Few women entrepreneurs mentioned that bank officials asked for bribe to sanction their loan. One of the respondent narrated her experiences with the bank when she was harassed by bank officials as she belonged to Schedule Tribe, and also because she was illiterate. Her loan

application was rejected many a times though she managed to provide them with all the information and required documents. Each time she was given new reason to reject her loan. 7 percent women did not face problem in getting credit as woman.

#### 6.4 Raw Material

“Easy availability of raw materials attracts more individuals towards entrepreneurship. Easy availability of any particular material in any area gives specific support to certain entrepreneurs to establish and develop their industries related to these materials”(Debnath, 2001).

**Table 6.06: Respondents facing problem for purchase of raw material**

Problem for purchase of raw material	(%)
Yes	15.0
No	85.0
Total	100.0

Indian women entrepreneurs are handicapped by lack of adequate finance, technical know how, non availability of raw materials, lack of technical and managerial skills. Only 15 percent women faced problem in getting raw material whereas 85 percent women didn't faced any problem in getting raw material. Hence, getting raw material is not a problem faced by these women entrepreneurs in the urban informal sector.

## 6.5 Marketing

“Marketing means more than simply advertising or selling a product. Marketing encompasses many more activities than most people realise. It involves developing and managing a product that will satisfy certain needs. It focuses on making the product available at right place, at right time and a price that is acceptable to customers” (Ganesh, 2000)

**Table 6.07: Respondents facing problem in marketing their product**

Respondents facing problem in marketing their product	(%)
Yes	21.5
No	78.5
Total	100.0

21.5 percent women faced problem in marketing her product. Whereas 78.5 percent women didn't faced any problem in marketing her product. Marketing is a common problem to all entrepreneurs. It is for this reason that marketing problems can be more acute in case of women entrepreneurs. But in the present study it has been found that majority of women did not face any marketing problem. Those women who face this problem feel that they face it because they are women.

“The biggest handicap for women entrepreneurs is lack of mobility which forces them to approach middlemen to arrange for the sale of their goods/ services who try to exploit them. This also prevents them from expanding their markets since they are not in direct contact with the market and are unaware of the opportunities and threats of markets”(Rajani, 2000). According to a

respondent, these middlemen forced her to sell goods at very low rate, which did not even cover her cost of production. When she refused to sell her product at the rate fixed by this agent, he did not allow her to sell her goods in the market. The reason is he had a strong nexus and contact with other dealers too. She found it extremely difficult to sell her products. This was also the case where women were into manufacturing of different snacks. At times, various shopkeepers force these women to sell goods at low price and sold the products at a high price in the market.

## 6.6 Labour

**Table 6.08: Respondents facing problems in labour recruitment**

Problem in labour recruitment	(%)
Yes	3.5
No	96.5
Total	100.0

3.5 percent women entrepreneurs faced problem in recruiting labour. 96.5 percent women didn't face any problem in recruiting labour. Those women did not employ any worker may not have faced any problem. In the chapter IV it is already been discussed that of the total majority of respondents were functioning without any employee.



**Table 6.9: Does respondent faced problem in recruiting labour as women**

Problem in recruiting labour as women	(%)
Yes	1.5
No	2.0
Not applicable	96.5
Total	100.0

1.5 percent women faced problem in recruiting labour as women. Whereas 2.0 percent women didn't faced problem in recruiting labour as women.

#### **6.7 Sub- Contracting**

Sub-contracting takes place when a contractor or parent unit purchases or gets manufactured some specialised parts/components that are to be incorporated in its finished product. Sub-contracting arrangements are practiced generally in the areas of production and marketing. " In some cases, sub-contracting is associated with 'job-work' where a 'parent' firm provides the necessary raw materials to the small firms. These transactions are not random or occasional business deals but are much more permanent and often a collaborative relationship. The aspect of domination and control by parent firms on small firms, which is a reflection of their unequal economic status, could be taken to be the crucial distinguishing characteristic of sub-contracting relationships"(Nagaraj, 1984). "Sub-contracting results in certain advantages to small firms also. Easy availability of certain raw materials, technical know-how, guidance, testing facilities etc., besides gaining assured from markets and financial assistance"(Rao and Tewari, 1979).

#### 6.10: Respondents facing problem in subcontracting with local firms

Problem in subcontracting	(%)
Yes	17.0
No	83.0
Total	100.0

17 percent women faced problem in subcontracting with local firms. Whereas 83 percent women didn't faced any problem. In case of those women who were into "Putting Out" system, their condition was even more critical. The reason being these women, as they did not have sufficient money to invest so as to start business and they also lacked marketing skills they were dependent on such middlemen who were providing them raw material and taking finished goods from them. These women were paid very badly and only once a year. In case these middlemen were cancelling if they asked for payment in between their order.

**Table 6.11: Respondents facing problems in subcontracting with local firms as women**

Problem in subcontracting	(%)
Yes	13.0
No	4.0
Not applicable	83.0
Total	100.0

13 percent women faced this problem as women. 4 percent women didn't face this problem as women.

## 6.8 Current operation

Like project formulation and start-up involves many problems. Same way one may face problem in one or other form. Different individual have different qualities and weaknesses. One may lack experience but has sufficient capital. Some are good at marketing product while other find marketing as problem. As majority of women are new to business world and also lack experience it is possible that they might face problem in current operation.

**Table 6.12: Respondent facing problem in current operation**

Problem in current operation	(%)
Lack of experience	9.5
Weak collateral position/ insufficient cash	37.5
Marketing problem	1.0
Manufacturing problem	0.5
Any other*	39.5
Multiple response**	12.0
Total	100.0

Note\*: Any other includes the time constraint, family problem, and health problem

\*\* : Those respondents who were facing more than one problem in current operation

The table (6.12) shows the problems faced by respondent in various forms in current operation. The analysis of above table shows that 9.5 percent women faced problem in current operation due to lack of experience of work as entrepreneur. 37.5 percent women faced problem due to their weak collateral

position and insufficient cash. 1 percent women faced problem in marketing and 0.5 percent women faced problem in manufacturing process. 39.5 percent women faced problem in current operation due to other reasons like time constraint as a result they were not able to give full attention to her business. Sometimes it happened due to some health problem or family problem. This means that women faces problem in current operation due to family responsibility, family problems and also because of health reasons. 12 percent women faced more than one problem in current operation.

**Table 6.13: Respondents facing problems in current operation as a woman**

Problem in current operation	(%)
Yes	13.0
No	80.0
No response	7.0
Total	100.0

The table (6.13) shows whether the respondents faced problems in current operation as women. 7 percent women gave no response. 13 percent women faced problem as women in the current operation and 80 percent women didn't faced problem as women in the current operation. " Though women are equally qualified as men to succeed as entrepreneurs, they suffer from two distinct disadvantages as compared to the men. Firstly, there is initial lack of confidence in one-self's own abilities. Years of accepting a subordinate status and strict role segregation and secondly society's lack of confidence"(Rajeswari and Sumangala, 1999).

## 6.9 Competition

**Table 6.14: Distribution of respondents facing the problem of competition**

Respondents facing competition	(%)
Yes very high	22.5
No (sole producer)	56.5
Neither too much nor too less	3.0
Can't say	1.0
Depends upon product	0.5
Multiple response	15.0
No response	1.5
Total	100.0

The table (6.14) shows the extent of competition faced by respondents. 22.5 percent women faced very high competition. Around 56.5 percent respondents didn't face any competition. Some women were of the opinion that the extent of competition depends upon the product and 15 percent women faced competition at different level in selling the products manufactured by them. This was generally observed in case of those women entrepreneurs who were into production of more than one product faced such a situation

### Section II

This section deals with the support that women receive as an entrepreneur from family, friends, various government and non-government agencies. In this section an attempt has also been made to know to what extent respondents are

aware of such agencies and organisations and to what extent they utilise the services rendered by government and other agencies and organisations.

## **6.9 Help and support from family**

Family support plays an important role for an individual to take up entrepreneurship and manage the business successfully.

**Table 6.15: Distribution of respondents receiving help for business from their family**

Respondents receiving help for business	(%)
Yes	39.5
No	60.5
Total	100.0

39.5 percent women received help in starting her business and 60.5 percent women did not receive any help in starting her business. This means that majority of women though received support in formulating project, did not receive help in starting her entrepreneurial venture from her family. Though, the support from parents and family plays a very important role. Those who received support were mainly moral rather than physical or financial.

**Table 6.16: If yes, in what way**

Help in which way	(%)
Economic support	1.0
Moral support	38.5
Not applicable	60.5
Total	100.0

### **6.10 Training**

“Training refers to the period spent by an individual entrepreneur in addition to formal education to acquire particular skill”(Debnath. 2001).

**Table 6.17: Percentage of respondents receiving training before starting business**

Respondents receiving training before starting business	(%)
Yes	31.0
No	69.0
Total	100.0

“With increasing realisation that entrepreneurs are important many state level and national level organisations and institutions are developing and administering training programmes aimed at specific requirements”(Aiyadurai, 1999). The fundamental principle for entrepreneurial growth is creating educational tactics for improving their technical skills. In 21<sup>st</sup> century, it is believed that technology; education and imparting training are highly

interwoven. The lack of formal education and skills acquired through formal training can prevent and restrict women entrepreneurs in realising their profitability potential. For producing a successful corps of entrepreneurs, training is an essential component. It helps them not only to survive but also to thrive and contribute to the local nationals ultimately to the global economy. In order to strengthen not only the entrepreneurs, skill based training; technical training etc. should be taken care off. It becomes necessary to impart skills to the new upcoming entrepreneurs. The industrial policy resolution of 1991 has also highlighted the necessity to provide special training programmes to develop entrepreneurship in women.

The table 6.17 shows that 31 percent of women have taken formal training before starting this business while 69 percent women did not take any formal or even informal training for their business. This is for the reason that women have taken up those business ventures that do not require any or much training. They are taking up traditional feminine activities that were initially being carried out within the households but are gradually getting marketised. They are already trained as women for undertaking these activities as women but as the economic need arises, the same activities get marketised. Moreover, the training that is imparted is a general training and not a women specific training and in majority of the cases women are not allowed by the family to attend such training programmes where males also participate. In few of the cases women did want to attend the training but their financial conditions did not allow them. Hence, patriarchal values and economic constraints are the barriers for women in their endeavour to undertake training.



**Table 6.18: If yes, who arranged for the training?**

Who arranged the training	(%)
Government agency	2.0
NGOs	6.0
Any other*	23.0
Not applicable	69.0
Total	100.0

Note: \*Any other includes some private training institutions, friends, family members etc.

The above table shows that only 2 percent women attended training programme arranged by the government agency. This is for the reason that women are ignorant about the training programmes arranged by the government. Moreover, there are lot of formalities involved in taking up the training programme arranged by government agencies, which is time consuming and therefore given their household responsibilities it is an added responsibility for them. 23 percent women have taken training from other sources such as some private training institutions, friends, family members etc. However, whenever, there is a women specific training programme, many women do take up which is reflected in the fact that 16 percent women did attend women specific training programme.

#### **6.11 Institutional support**

“ During the planning era, a number of institutions/agencies were set up to render assistance to women entrepreneurs by giving training, providing financial assistance and marketing assistance”(Rajeswari and Sumangala. 1999).

**Table 6.19: Respondents seeking institutional assistance**

Respondents seeking institutional assistance	(%)
Yes	8.0
No	92.0
Total	100.0

The table 6.19 shows whether respondent approached any institution for help. 92 percent women didn't approach any institutions for help and only 8 percent women approached some institutions for help in starting and taking up entrepreneurship. Women feel that the institutional assistance calls for fulfilment of certain terms and conditions, which most often leads to delay in their venture. They feel that if other infrastructures in the form of voluntary organisations are available, motivation to start micro enterprise may build up. "Such institutional backgrounds are essential in our socio-economic set up"(Aiyadurai. 1999).

During the planning era, a number of institutions/ agencies were set up to render assistance to women entrepreneurs by giving training, providing financial assistance and marketing assistance. Both Central and State government are implementing various schemes for promotion of women entrepreneurship "But in practice women entrepreneurs are facing many difficulties in obtaining various government assistance"(Srinivasan and Sreenivasugalu, 2000).

**Table 6.20: Different sources of encouragement for respondents**

Sources of encouragement	(%)
Government/EDI	2.0
NGO	8.5
Various sources *	26.5
No source of encouragement	63.5
Total	100.0

Note: \* Various sources includes governmental as well as non-governmental sources.

The table 6.20 shows encouragement support system from various agencies government as well as non-government encouraging the women to take up entrepreneurship. Though, government agencies, EDI, NGOs, etc., are working collectively to support and promote women entrepreneurs but majority feels that there is no sufficient support system for women entrepreneurs.

**Table 6.21: Perception of the respondent for a change in government's attitude**

Change in government's attitude	(%)
Yes	34.5
No	51.5
Can't say	14.0
Total	100.0

The table (6.21) shows whether the respondent perceives a change in attitude towards women entrepreneurs. 34.5 respondent feel that there should be

a change in the attitude of government towards women entrepreneurs. There are many schemes planned to promote entrepreneurship among women but the facts narrate a different story. These schemes involve many procedures and formalities that at times women feel discouraged and at times even act as barriers given the patriarchal system and socio-cultural constraints imposed on women.

### Section III

#### 6.12 Conclusions

Although attention has been paid towards the development and promotion of women entrepreneurship in India through various planned economic efforts. But still women entrepreneurs are facing problems in various forms. Such problems are numerous like lack of funds, technical inadequacy, and income is meagre. Though efforts are being made to develop and promote women entrepreneurship. Yet, in the face of magnitude of the problems of women entrepreneurs these seem to be pale into insignificance. It has been seen that many women take up entrepreneurship where traditional skill is required. Keeping this in mind, traditional skills of such potential women entrepreneurs should be identified and fostered. "For existing women entrepreneurs there is specific support available as most of the agencies concentrate in the direction of developing new entrepreneurs. Thus, it is necessary to extend counselling support to them to run their units better"(Sen, 1992).

"The encouragement and support are given largely because of the recent realisation of the growing need of developing indigenous entrepreneurship" (Sharma, 1979). In order to enhance motivation among women entrepreneurs, government needs to provide many amenities. There is need on the part of government to take measures through human resources development and

providing appropriate training to develop the skills of workers in this sector in addition to the provision of minimum infrastructural facilities and provision of raw materials through appropriate channels. Further it is desired to advance new forward linkages with formal sector and explore new avenues for market so as to sell goods manufactured in informal sector.

At the same time one has to keep in mind that no single approach or strategy can be formulated for development and promotion of women entrepreneurship. In this endeavour to develop the women entrepreneurship in India, it is essential for any country to gain not only more knowledge about the existing state of women entrepreneurs and problems encountered.

“Government also need to share their ideas and experience with other countries by carrying out collaborative research projects in which planners, educationists successful industrialist and administrators to bridge a gap that may arise between the plan and performance”(Sharma. 1979).“Also the various financial/ technical institutions and organisations and different departments of Central and State governments engaged in entrepreneurship development should establish a greater degree of co-operation, liaison, closer working relationships and better understanding. No tangible results can therefore, be expected unless all the agencies involved in the task of entrepreneurship development work with the determination, zeal and sense of dedication and commitment”(Vijaya, 2000). “Nevertheless, a role of these institutions in helping entrepreneurs should not be undermined. They have potential to contribute. All that, however, needed is to correctly perceive their identity and role in the process of national entrepreneurial resource building. Like financial and other support institutions they should also conceive of themselves as an information support system. Instead of trying to profess the theories and practices of management for

indoctrination into the mind of novice business aspirants, they should support them with the information they really need”(Pandey, 2000).

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