

## HURDLES OF WOMEN ENTREPRENEURS IN INDIA WITH REFERENCE TO FINANCE, RAW MATERIALS AND EDUCATION

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### **Abstract**

*In the present day world, where the competition is increasing in every field, women are trying their best to keep pace with their male counterparts. They are trying to establish their identity in the way they can and make themselves financially independent and support the family. In this process, they are trying to upgrade themselves with all sort of education required to sustain themselves in the field chosen. Women entrepreneurs in India can be observed engaged in variety of avenues – from big shots to small scale enterprises. These women are engaged in such type of activity out of several reasons, ranging from their choice, hobby and mostly importantly need. However, while doing so there are few of the women entrepreneurs who encounter severe challenges during their business activity. The paper focuses on three important challenges such as lack of finance, lack of raw materials and lack of education, which is the prime hurdle among the women from the low entrepreneurial activities. Also it suggest some of the measures to overcome these challenges*

**Key words:** *Entrepreneurship, financial constraints, low education, unavailability of raw materials.*

### **1. INTRODUCTION**

In the country like India, where still in the remote areas, the gender discrepancy prevails; women are trying level best to establish their identity in the society. They are trying to support their families by engaging themselves into small scale activities. These activities involve bindi making, papad making, cosmetics and imitation jewellery, etc. Such activities support them financially and also provide them with self-respect in the society. However sometimes, lack of confidence, working capital and education pulls them behind and forces them to quit the activity.

## 2. LITERATURE REVIEW

**Goyal, et. al (2011)** in their paper on “Women Entrepreneurship “mentions that the women are becoming self reliant in the present day. They are trying to get into all the segments of the society and trying to establish their mark in the entrepreneurial world by following the success stories of others. They try to be independent and support their spouses/ family. The main intention of these entrepreneurs are to generate sizable portion of the income to earn not only a better standard of living, but also a social status and self identity.

**Singh (2012)** conducted a study on “Women Entrepreneurship Issues, Challenges and Empowerment through Self-Help Groups: An Overview of Himachal Pradesh”. Self-Help Groups helps rural women in India not only for raising their income but also to social status of women. In their article, they highlighted women entrepreneurial issues and challenges reduce the scope of women entrepreneurship in India. Ranbir recognized women entrepreneur face financial, raw material, stiff competition, limited mobility, family ties, lack of education and low risk bearing ability.

**Kumbhar (2013)** conducted a study on “Some Critical Issues of Women Entrepreneurship in Rural India”. Growth rate of women’s participation in economic activities is much lower than male counter parts. In today era, women participated in business and trade activities including agriculture without any social and personal prejudice. He identified number of issues relating to social aspects, economic life and courage.

**Dhameja (2002)** in their paper highlights the fact that women who chose to pursue the challenging role of an entrepreneur driven by their desire to fulfil their need of independence and achievement. This definition is only applicable to women entrepreneurs who are opportunity driven, i.e. women who resort to entrepreneurship driven by their free will. This definition excludes necessity driven entrepreneurs who are forced to pursue entrepreneurship out of some bare need.

## 3. OBJECTIVE OF THE STUDY

With the aim of studying the main challenges of women entrepreneurs in India, the main objectives of the present paper are –

- i. To find out the hurdles faced by women entrepreneurs with reference finance, raw materials and education.

- ii. To suggest measures to overcome these hurdles.

#### 4. DATA AND METHODOLOGY ADOPTED FOR THE STUDY

For the present study both primary and secondary data has been collected. Telephonic interview of women entrepreneurs engaged in different activities were taken. This interview was unable to provide insight and guide on the objectives of the study. The secondary data was collected from published sources such as search engines, online study forum, research journals and magazines (both academic and non-academic). The conclusion from the interviews was drawn to fulfil the objectives of the study.

#### 5. HURDLES FACED BY WOMEN ENTERPRENEURS IN INDIA

Following hurdles are generally observed by Women Entrepreneurs in India-

##### 5.1 Lack of Finance

There are small women entrepreneurs who face severe financial constraints and also low working capital. They need to rely on external sources for establishing their businesses. Women are often left with no asset in their hand, no property and no savings. Thus, self-investment becomes difficult for such women entrepreneurs. At the same time, their male counterpart (be it father, husband, or other relatives) feel that it is not worth to invest in business run by women. There is lack of truth by these men. At the same time, banking sector is also lacking with the policies for the women. There is lack of support even from the non-banking financial institutions, such as credit cooperative societies. Though it is mentioned that, there are number of policies and plans for women to start up their business but in reality those plans do not reach the needy.

*“Though there are several schemes by the Government for women entrepreneurs such as Dena Shakti Scheme, Yogini scheme, Kalyani scheme, etc. but these schemes do not reach us. We are, most of the times, not aware of the schemes and where to apply for the schemes. The application procedure is also lengthy which restricts us from availing the benefit of the scheme”.*

- Ketaki Dave (Food industry)

*“I have started my business by selling my gold jewellery. Neither my husband nor any of my relative wanted to invest in my business”.*

- Prachi Verma (Jewellery designer)

It is even thought by the society that the women entrepreneur will not be in position to continue their businesses for a long period of time. They will leave the venture at any mid-point and again be housewives. These women entrepreneurs are then left with option of relying only on the informal finance provided by their friends or relatives. But this hope is also having less validity.

## 5.2 Lack of Raw Materials

Another main problem faced by women entrepreneurs is inability to procure raw materials for their businesses. Sometime even if they are getting raw materials available, the cost of such materials is so high, that the profit margin becomes very low. The supply for raw materials is also not sure. It depends on the availability of transport and also on fixed number of orders. If there is lack of orders, the raw materials for businesses cannot be procured by the women entrepreneurs. At many times it is also found that these raw materials are not discounted. At other times, it is seen that there is cheating done on the enterprises during the supply of raw materials. Due to lack of knowledge and fresh commencement of the business, they are cheated by the providers of the raw materials. They sell the raw materials to the new entrepreneurs in the market at a very high cost. Initially these women entrepreneurs find it manageable as they try to arrange the finance from some sourced and procure raw materials, but later on, they are pressurised with heavy loans, which compel them to leave the venture incomplete. Another major problem encountered in relation to raw materials is that the quality of this raw material is not up to mark, which further leads to inappropriate and poor quality finished products. Thus, the consumers hesitate to buy the ready products from such enterprises. This lead great loses to the women entrepreneurs.

*“I was ideal and sitting at home and thought of starting some work. I decided to start up bindi making. I ordered the material required for the same through my friend’s reference. However, I found that the quantity of the material as well as the quality of the stick plate in it was very pathetic. I again have to order the same from other source. My initial investment was complete waste”.*

- Priyanka Dubey (Bindi Maker)

## 5.3 Lack of education

More severe issue than the two mentioned above is lack of education and knowledge which these women entrepreneurs have to carry on their venture. It is seen that for any business to grow there is need of technological support and high educational backup. Apart from this the

entrepreneurs need to be full-fledged known to the market situation, trends, policies and ideas. They need to be acquainted with the demands of the consumers as well as they need to maintain due relation with the traders. For all this they need to be educated. In India, the overall level of literacy rate is low among the female population as compared to their male counterparts. It has been concluded in many research studies that there exists direct relationship between education level and confidence level. It has also been studied by many researchers that risk taking capacity of women entrepreneurs engaged in small ventures directly depends on the education level they have. Strategic planning cannot be done with proper knowledge of the market condition.

*"I am a graduate and wanted to start my own business. Though I have computer with me, but I was unaware of the technical aspect. I wanted to pursue my career in fashion designing. Initially I thought that It is easy and I can do it, but later I realised that my option was wrong on the thing I wanted to do. I later on had to take formal training to pursue my career and after taking the training, today I am a successful designer.*

*-Rajshree Adsul (Fashion Designer)*

## 6. SUGGESTIONS

The following measures are put in place by the Government of India to help the women entrepreneurs –

- i. BharatiyaMahila Bank: This bank was initially started to provide capital for the budding business women to start up with their ventures. Under this scheme, the women were able to take loans uptoRs. 20 crores, avail collateral free loan of uptoRs. 1 Crore, with an interest rate of 10.25%.
- ii. Annapurna Scheme: Under this scheme, women entrepreneurs are able to take loan uptoRs. 50,000 and be paid within 3 years.
- iii. Stree Shakti: This package is somewhat similar to Entrepreneurship Development Programme (EDP), where loan of uptoRs. 50 lack are sanctioned.
- iv. Oriental MahilaVikasYojana Scheme: This scheme was initiated by Oriental Bank of Commerce, where concession of 2% on the rate of interest is offered.
- v. Dena Shakti Scheme: Here the women entrepreneurs are liable to get loan uptoRs. 20 lakhs on education, housing and retail trading and uptoRs. 50,000 under the category of microcredit.

- vi. Mudra Yojana Scheme for Women: This scheme helps in providing monetary benefit to the women entrepreneurs in India who want to open a day care centre, beauty salon or a similar small venture.

## 7. RECOMMENDATIONS

To solve the above mentioned hurdles, the authors recommends following measures –

- i. There needs to be special cells which would provide easy finance to women who are interested in setting up their own enterprises. This type of cells should operate from every bank and financial institutions. At the same time, it is also suggested that such type of cells should be unbiased towards the entrepreneurial activity and needs to be managed by women themselves. One most important thing is that such type of cells should provide the finances at a very low interest rate (taking into consideration the financial situation of the women entrepreneurs).
- ii. Secondly it can be suggested that there can be set up of informal marketing cooperatives which would help the women entrepreneurs find their way ahead. All this would eliminate the middlemen and thus would give better prices for the products should be these entrepreneurs.
- iii. Governmental initiative should be such as to purchase the products from these women entrepreneurs. It is necessary that in the phase of ‘women empowerment’, the actual support needs to be coming from the Government itself. Instead of dealing with the big shots and foreign companies, why not pull these aspiring ladies into the mainstream of the business.
- iv. At the same time, it is the duty of the Government to make the required provision to bring in scarce and costly raw materials and make them available to the women entrepreneurs at an affordable rate. Subsidies and other provisions should be managed effectively by the Government.
- v. It would serve additional benefit if Government would provide skill development opportunities to the women entrepreneurs. Such developmental programme needs to be designed as per the requirement of the entrepreneurs. Training centres should be arranged.
- vi. Additional facilities such as transportation, meals, and good hygienic crèches should be provided by the Government.
- vii. The raw materials should be made available to the beginners at concessional rates.

## 8. CONCLUSION

Competition and intention of boosting up sales compelled the women entrepreneurs to quote low prices. Women entrepreneurs found it very difficult to manage debts. Most of the transactions were conducted on credit basis. It was also mentioned by few of the respondents that the street vendors serve as a great competition to them and such type of activity should be stopped. Cost of power is threat to them. If training and development facilities are provided to the women entrepreneurs and raw materials and finance is made available to them by the Government at an affordable rate, then there is a chance that women entrepreneurs in the nation would be able to establish their mark in the tertiary segment of the economy. This not only would increase the GDP of the nation, but would improve the social standard of the people living in nation, particularly in the remote and backward areas.

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