

Challenges Faced by roadside Women Entrepreneurs

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Abstract:- Women entrepreneurship is gaining importance in India in the wake of economic liberalization and globalisation. At a global level about 126 million women have started or are running their business and whereas in India, there are 3 million women-owned enterprises that employ over eight million people and constitute about 10 % of all small businesses in the country. Only 27% of these have access to institutional finance, said an International Finance Corporation (IFC) study released. The main issue is that women do not have sufficient collateral rights in rural India against which they can avail loans. Most banks look for some collateral while lending to small entrepreneurs, who do not have sufficient rights on title, it is difficult to secure such funding. The reasons for poor access for women limited financial awareness and understanding of financial products and services, lack of adequate collateral, husband's or father's signature to approve loan applications, and lack of confidence to approach formal financial institution. "Even a woman who sells vegetables on the road side is an entrepreneur." There is a need to develop specialised retail institutions focusing on woman entrepreneurs. The lack of support for entrepreneurs from the banking system and private investors is a larger one that's not restricted to woman. With the world speaking 'gone are the days when woman were considered inferior to men comes to running business', India stands still. India ranks 52 on the MasterCard Index for Women Entrepreneurs (MIWE) - a list of 57 nations released by MasterCard. Reasons for the rise of women entrepreneur; overall changing perception of entrepreneurship, better access of education, increasing social acceptance of women entrepreneurship, better infrastructure, especially in technology, better access to finance, rise of role models. Women are leaving the work force in droves in favour of being at home not to be a homemaker but as job-making entrepreneurs. The increasing presents of woman in the business field as entrepreneurs has changed the demographic characteristics of business and economic growth of the country. Women-owned businesses enterprises are playing the active role in society and economy, inspiring academics to focus on this interesting phenomenon. Government of India has also introduced national skill development policy and national skill development mission in 2009 in order to provide skill training, vocational education and entrepreneurship development to the emerging women work force. The glass ceiling is shattered and women are found indulged in every line of business. The entry of

women into business in India is traced out as an extension of their homemade activities. This report focus on the problems, issues, challenges faced by roadside women entrepreneurs, how to overcome them and to analyse policies of Indian government for and the problems faced by them while pursuing their business

Key Words: Women entrepreneurship (roadside), status, challenges, role of government and suggestions

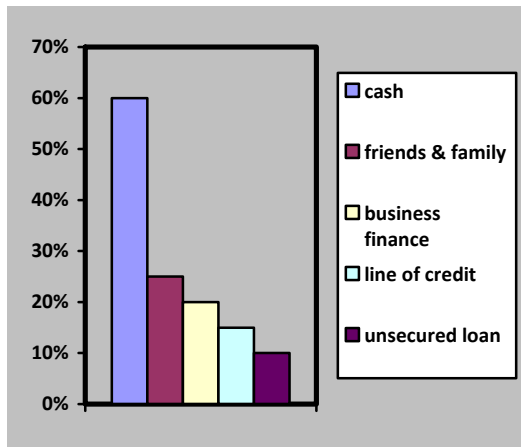
INTRODUCTION

India's oldest microfinance institution (Basix), says "**even a woman who sells vegetables on the roadside is an entrepreneur**", But a bank may not recognize her as one and give loans. There is a need to develop specialised retail institution focusing on women entrepreneurs. The lack of support for entrepreneurs from the banking system and private investors is a larger one that's not restricted to women. Road side women entrepreneurs are struggling to overcome many issues the survey says, so the struggles, capital formation, competition, income, government schemes for them are described below a brief.

Capital formation

As per the survey, most of the women entrepreneurs acquired their capital from various money lenders, jewel loans, micro finance institutions, and trade union centres of that particular region. Since there is a lack of capital, many of them meeting their working capital requirements in credit basis. "If you are a lender, you would need some certainty that your money comes back from the borrower. In the case of small business, banks and equity investors are not very comfortable to give money to micro and small businesses until they reach a certain size." So women entrepreneurs are need pledge their collateral securities for getting loans. Bankers agree and point to the many practical difficulties in funding small businesses. Lending to such units will have to be done at a higher rate due to the high risk nature of such borrowers. It is not often feasible to price loans accordingly.

Most popular business financing methods for women entrepreneurs



(2018 survey)

Turnover per day

Relating to the survey taken with small women entrepreneurs especially roadsides businesses, the turnover per day were comparatively low. It starts from 200 to 1000. Thus, the income was helpful to their dependents strongly. Entrepreneurship spirit is not a male prerogative. According to the World Bank, women own or operate 25 to 33 per cent of all private businesses in the world. In India alone, there are over 3, 21,000 registered and 2.69 million unregistered women owned micro small business. Women - owned enterprises in India collectively contribute to 3.09 per cent of industrial output. Economically empowered women are also major catalysts for development. There is a greater recognition of the positive relationship between increased economic activity by women and improved social outcomes. Women often tend to reinvest their income in their children's education, health and nutrition. Despite all this, still there are gender gaps in the entrepreneurial ecosystem. The number of female entrepreneurs in the country remains relatively small. Women also face disproportionately high barriers in starting and growing their business. Under- capitalisation is the main reason for low income for them. The total requirement of women-owned micro businesses was around Rs 10 trillion and the total supply of formal finance was Rs 6 trillion. This resulted in a financing gap of 73 per cent of the total demand, so it inversely affects the income of the business.

Contribute to our GDP:

India has grow at 9-10% for three decades uniformity and peruse the dividend of demographic advantage, promoting entrepreneurship among women has to be the key policy. If women don't do well then the society faces an inter-generational cycle of malnutrition and infant mortality. India needs far more contribution of women in GDP. Women contribute about 22% of our GDP, is close to 44-45 per cent when compare to world

wide. Nothing that whenever opportunity has been provided to woman they have performed much better than men. Our belief is that if you want to transform India, then you needed to give huge fillip to women entrepreneurship.

Struggles

- Problem of finance:** finance is regarded as life-blood for any business, be it big or small. However, small women entrepreneurs suffer from shortage of finance on two counts. Firstly, women not generally have property on their names to use them as collateral for obtaining funds from external sources. Thus their access to the external sources of funds is limited. Secondly, the banks also consider women less credit worthy and discourage women borrowers on the belief that they can at any time leave their business. Given such situation, women entrepreneurs are bound to rely on their own savings, if any and loans from friends and relatives who are expectedly meagre and negligible. Thus, women enterprises fail due to the shortage of finance.
- Scarcity of raw material:** most of the women enterprises plagued by the scarcity of raw material and necessary inputs. Added to this is are the high prices of raw material, on the one hand, and getting raw material at the minimum of discount, on the other. The failure of women cooperatives in 1971 engaged in basket making is an example how the scarcity raw material sounds the death-knell of enterprises run by women.
- Stiff competition:** Women entrepreneurs do not have organisational set up to pump in a lot of money for canvassing and advertisement in case of small businesses. Thus, they have to face a stiff competition for marketing their products with both organised sector and their male counter parts. Such a competition ultimately results in the liquidation of businesses. According to the survey competition are relatively adjusted by fellow entrepreneurs in their region by mutual commitments. Since they believe that their regular customers do not choose other than their products or services.
- Limited mobility:** unlike men, women mobility in India is highly limited due to various reasons. A single women asking for room is still looked upon suspicion. Cumbersome exercise involved in starting an enterprise coupled with the officials humiliating attitude towards women compels them to give up idea of starting an enterprise. The report says that India's under laying

conditions for women entrepreneurs are less favourable when compare to countries that got a high index score. The report further indicates that women in India have less inclination towards business ownership due to cultural bias.

- **Family ties:** in India, it is mainly a women's duty to look after the children and other members of the family. Man plays a secondary role only. In case of married women, she has to strike a fine balance between her business and family. Her total involvement in family leaves little or no energy and time to devote for business. Support and approval of husband's seem necessary condition for women's entry into business. Accordingly, the educational level and family background of husband's positively influence women's entry into business activities. The institutional and legal environment is critical to the growth of female- owned enterprises. Laws regulating the private sphere specially those regarding marriage, inheritance and land can hinder woman's access to assets that can be used as collateral when securing a loan. Heavy responsibilities leave a demand on women especially those in rural areas who have more children. They are required to perform their traditional role as housewives and therefore, they have fewer hours of free time than man, both during week end and week days.
- **Lack of education:** in India, around three-fifths of women are still illiterate. Illiteracy is the primary key of socio-economic problems. Due to the lack of education, women are not aware of business, technology and market knowledge and causes low achievement motivation among women. Thus, lack of education creates one type or other problems for women in the setting up and running of business enterprises.

STEPS TO OVERCOME STRUGGLES:

- 1) Women should understand and implement the new way to balance work and life.
- 2) Women entrepreneurs should spend some time to study and observe the nature of challenges women face in business.
- 3) Women should make adequate preparation to face the challenges before starting the business.
- 4) Women should attend training programs, seminar, workshop and conferences. This may help to reduce the challenges they face in business.
- 5) Women should start their business from micro or small level and allow it to grow gradually.

- 6) Women should take assistance of other women entrepreneur who are already successful in business
- 7) Take the help or guidance of capital and fund rising platforms.
- 8) Women should develop or keep contact with the entrepreneur business networks.
- 9) Keep in touch with the small medium size enterprise development platforms.

Government schemes:

Development of women as been a policy objective of the government since independence. Until the 70s the concept of women's development was mainly welfare oriented. In 1970s, there was a shift from welfare approach to development approach that recognized the mutually reinforcing nature of the process of development. The 80s adopted a multi-disciplinary approach with an emphasis on three core areas of health, education and employment. Women were given priorities in all the sectors including SSI sector. government and non government bodies have paid increasing attention to women's economic contribution throw self employment and industrial ventures. The first five year plan (1951-56) envisaged a number of welfare measures for women. Establishment of the central social welfare board, organisation of mahilmandals and the community development programs were a few steps in this direction. The second five year plan(1956-61), the empowerment of women was closely linked with overall approach of intensive agriculture development programs. The third and fourth five year plans(1961-66 and 1969-74) supported female education as a major welfare measure. The fifth five year plan(1974-79) emphasised training of women who were in need of income and production this plan coincided with international women's decade and the submission of report of the committee on the status of women in India. In 1976, women's welfare and development bureau was set up under the ministry of social welfare. The sixth five year plan (1980-85) saw a definite shift from welfare to development in recognized women's lack of access to resources as a critical factor impacting their growth. The seventh five year plan(1985-90) emphasized the need for gender equality and empowerment. For the first time, emphasis was placed upon qualitative aspects such as inculcation of confidence, generations of awareness with regards to rights and training in skills for better employment. The eighth five year plans (1992-97) focussed on empowering women, especially at the gross roots level, through panchayati raj institutions. The ninth five year plan (1997-

2002) adopted a strategy of women's component plan, under which not less than 30% of funds / benefits were earmarked for women related sectors. The tenth five year plan (2002-07) aims at empowering women through translating the recently adopted national policy for empowerment of women (2001) in to action and ensuring survival, protection and development of women and children through rights based approach

At present, the government of India has over 27 schemes for women operated by different departments and ministries. Some of these are:

- Integrated rural development program(IRDP)
- Khadi and village industries commission(KVIC)
- Training of rural youth for self- employment (TRYSEM)
- Prime Minister's Rojgar Yojana(PMRY)
- Entrepreneurial development program(EDPs)
- Women's development corporations
- Working women's forum
- Indira Mahila Yojana Indira
- Mahila Kendra
- Mahilasamiti Yojana
- MahilaVikasNidhi
- Micro credit scheme
- RashtriyaMahilakosh
- SBI'Stree Shakthi Scheme
- NGO credit scheme
- Micro and small enterprises cluster development programs
- National banks and agriculture and rural development's scheme
- RajivGandhi MahilaVikasParaiYojana
- Empowerment and livelihood in mid Gangetic plains
- Bharatiya Mahila Bank

- Annapurna Scheme
- Orient Mahila Vikas Yojana Scheme
- Dena Shakthi Scheme
- Udyogini Scheme
- Cent Kalyani Scheme
- Mahila Udayam Nidhi Scheme
- Mudra Yojana Scheme for Women
- The credit guarantee fund scheme for micro and small enterprises (CGS)
- Stand Up India scheme

Conclusion:

In India the business scenario is changing day by day due to the development of technology, modernization, industrialisation, urbanisation, and spread of education and development programs initiated by the governments. In such conditions, employment opportunity increased drastically for women. In India the past image of restricted and home bound women is slowly going under change. The Indian women even after facing many challenges she is now trying to become economically independent. Government has come forward with many facilities, concessions and incentives exclusively for women entrepreneurs. General measures can be adopted to encourage and develop women entrepreneurship. As even illiterate women have the potential and the determination to setup, uphold and supervise her own enterprises in a very systematic manner. The right kind of assistance from family, society and government can make these roadside women entrepreneurs a part of the mainstream of national economy and they can contribute to the economy progress of the country. It can be set that today we are in a better position wherein women participation in the field of entrepreneurship is increasing at a considerable rate. Efforts are being taken at the economy us brought promise of equality of opportunity in all spheres to the Indian women and laws guaranteed equal rights of participation in political process and equal opportunities and rights in education and employment enacted. But unfortunately, sponsored development activities have benefited only a small section of women i.e., the urban middle class woman. Women sector occupies nearly 45% of the Indian population. At this juncture, effective steps are needed to provide entrepreneurial awareness, orientation and the skill development programs to women. The role of women entrepreneur in economic development is also being recognised and steps are being taken to promote women entrepreneurship.

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