

ISSUES AND CHALLENGES OF WOMEN ENTREPRENEURSHIP

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Abstract

The purpose of this article is to explore the motivations and key challenges faced by women entrepreneurs. The article has attempted to discuss the nature of the barriers of sectors in which women entrepreneurs operate, the difficulty in accessing capital for expansion, and the need to reconcile business with domestic activities. The Government of India has actively taken several steps to nurture and promote entrepreneurship in India. The central and state governments have developed and launched many strategies and initiatives to support entrepreneurs and enterprises. The findings of the study have some important implications for both on female entrepreneurship as well as for policy making.

Keywords: Women Entrepreneurs, Challenges, Empowerment

Introduction

Women's participation in the economy is critical for sustainable economic development, poverty reduction, and gender equality. The need to empower women and support their role in economic development is not seen solely as a matter of gender equality or social justice. Since women have great potential for the country, they should be used as a tool to develop the economy. Female entrepreneurship seems like an encouraging way to take advantage of women's current skills gap. Women's entrepreneurship not only provides economic benefits to women but can also provide social benefits.

In a developing country like India, women's lives are difficult due to insecurity, ignorance, and social restrictions. Therefore, the transition from a housewife to a businesswoman is not easy. However, this situation is slowly changing. Today, women in India are showing interest in financial independence and are participating in entrepreneurial activity, especially small-scale enterprises. Despite this changing scenario, the role of women entrepreneurs in the economy lags behind the advanced economies (Mammen and Paxson, 2000; World Bank, 2011).

The World Bank reports that India could expand Gross domestic product development by 1.5 rate focuses by including 50% of the women in the workforce. However, India's female labor force participation rate (FLFPR) declined from 32% in 2005 to 19% in 2021, 27 percentage points less

than the global average. Research has attributed the decline in FLFPR to several factors, including girls' enrollment in higher education after 2005, reductions in child labor, and changes in agriculture. The workforce is down, there is an overpayment for unpaid care and unemployment. Indian women's economic contribution accounts for 17% of GDP; which is less than half the world average. COVID-19 exacerbated the situation when women lost work and employment, income from the business diminished, and the burden of unpaid care expended.

Women entrepreneurs face limited access to credit, limited capital formation in limited businesses, lack of knowledge, lack of connections, and low business contacts. Challenges and negative social norms affect their entrepreneurial ambitions and hopes. The Indian government has taken various measures to encourage women entrepreneurs at various levels. NITI's WEP platform is a crucial central initiative to stem the stagnation of female entrepreneurship in India.

“You can tell the condition of a nation by looking at the status of its women”

- Jawaharlal Nehru

The Concepts of Entrepreneurship and Entrepreneur

The definition and meaning of entrepreneurship have greatly evolved since the 1930s with two schools of thought dominating, namely, the innovation- and the resource-based schools of thought (Ahmad and Seymour, 2008). The innovation school of thought views entrepreneurship as an individual's ability to be innovative, to come up with a business idea and convert it into a business while the resource-based school of thought views entrepreneurship as an economic activity that relates to the strategic orientation, commitment to opportunity and resource deployment and control (Ahmad and Seymour, 2008; Casson, 2005). Chinomona et al. (2014) define entrepreneurship as the process of initiating, creating, building, expanding, and sustaining a business venture by exploiting market opportunities. The word entrepreneurship however has its roots in the French word *entreprendre* which means to undertake (Anwar and Rashid, 2012) and as a result, has had a bearing on our understanding of the word entrepreneur. Entrepreneurship education therefore is a form of education that enables women entrepreneurs to undertake their business ventures successfully by capacitating them with knowledge and technical skills required in business.

Entrepreneurship philosophy refers to the personality and work ethic that entrepreneurs must have to be successful when starting a business. These qualities include imagination, intelligence, and knowledge. Entrepreneurship is not an idea, it is the sum of good habits that make a business successful. Entrepreneurs can learn and adopt these habits through education and training or by independently developing products based on best practices.

Entrepreneurs create and invest in jobs, and manage companies and the uncertainties that come with them. But they will also be the main financial beneficiaries of the business. Starting a business is

often called a business.

Women Entrepreneurship in India

The growth of women entrepreneurs has led to a large economy and economic growth in the country. Women entrepreneurs play an important role in society by creating jobs in the country, changing the population, and empowering the next generation of women founders.

The vision is to promote the sustainable growth of women entrepreneurs and achieve sustainable growth in India. Start-up India is committed to projects, planning, building support networks and communities, and building connections between different stakeholders in the start-up ecosystem. Empower women entrepreneurs in India.

About Women Entrepreneurship Platform (WEP)

WEP is a government-backed initiative launched by NITI Aayog in 2017 to promote a viable career path for women entrepreneurs in India. WEP aims to achieve this goal by providing a comprehensive collection of information and services. It will strengthen business connections and increase awareness of our existing systems. Specifically, it provides access to the following programs: a) Incubation and Acceleration, b) Entrepreneurial Skills and Mentoring, c) Marketing Assistance, d) Financing and Financial Assistance, e) Compliance Assistance and Taxes, and f) Community Service and Consulting. Since WEP was launched in 2018, more than 26,500 women have registered and benefited from the platform.

Review of the Literature

Halkias, D., Nwajiuba, C., Harkiolakis, N., & Caracatsanis, S. M. (2011), examined the business and social profiles of 67 women entrepreneurs in three regions of Nigeria to identify patterns of entrepreneurship and social and economic challenges facing women business owners in Nigeria. A finding of the study few significant differences exist between male and female business owners or managers once they have already started an enterprise, there is a strong indication that Africa has sizeable hidden growth potential in its women.

Shastri, S., Shastri, S., & Pareek, A. (2019), explore the motivations and key challenges of women entrepreneurs in small businesses in Jaipur, Rajasthan. Research shows that factors such as creativity, innovation, individuality and independence, and service to society are the main motivators for women entrepreneurs to start their businesses. From an organizational perspective, the challenges faced by women entrepreneurs mostly arise from informal organizations. The biggest challenge is that their business potential is not recognized and acknowledged by society. In addition, cultural norms that emerge in working life based on gender also lead to work-life problems.

Rani, P., & Bansal (2023), studied the barriers and opportunities for women entrepreneurship in

Pauri Garhwal, District of Uttarakhand. There is a need for an analytical study of the entrepreneurial problems of women in a changing entrepreneurial environment and new economic policies such as (LPG) liberalization, privatization, and globalization.

Chauhan, A. S., Agarwal, P., Tiwari, R., Das, M. K., Nautiyal, S., & Joshi, D. (2022), examined the status of women entrepreneurs, identified problems associated with women in setting up and running their enterprises in Uttarakhand and provide suggestions for the existing problems and conclude ways of overcoming challenges faced by women entrepreneurs in Uttarakhand.

Magd, H., & Thirumalaisamy, R. (2021) explore both constraints and the potential of self-employed women in Oman. Additionally, considering the entrepreneurial challenges businesswomen face, the study attempts to provide suggestions and recommendations that will contribute to women's entrepreneurship in Oman. The study assumes that the women entrepreneurs in Oman have a positive inclination towards their self-help, family-based business enterprises. Gender restriction is not a significant factor affecting the growth of women entrepreneurs. University graduates are found to be highly motivated to become entrepreneurs.

Dhekale, V. S. (2016), examined the impact on women's empowerment through micro-entrepreneurship development and SHGs. Women's entrepreneurship has been recognized as an important source of economic growth as they create new jobs for themselves and others and also provide society with different solutions to management, organization, and business. Women's entrepreneurship contributes to the economic well-being of the family and communities and also reduces poverty. This study is carried out with the specific objective of knowing the socio-economic background of the women SHGs, their knowledge, skills, and earning capacity.

Swami, B., & Mphole, G.T.J. (2016), examined the reason for the lack of growth of small entrepreneurs to insufficient support by the Government through support programs as well as to their internal weaknesses in terms of applying the right business strategies. Most of the problems preventing the growth of small entrepreneurs were lack of funds and difficulty in accessing Government support programs. These recommendations, if applied properly will create small entrepreneurs' growth not only in sub-urban areas of Botswana but also elsewhere.

Kumbhar, V. M. (2013), discusses the issues regarding women entrepreneurship in rural India. Studies reveal that the absence of definite agenda in life, absence of balance between family and career obligations of women, poor degree of financial freedom for women, absence of direct ownership of property, the paradox of entrepreneurial skill & finance in economically rich and poor women, no awareness about capacities, low ability to bear risk, problems of work with male workers, negligence by financial institutions, lack of self-confidence, lack of professional education, mobility constraints and lack of interaction with successful entrepreneurs are major problems of women

entrepreneurship development in India.

Koneru, K. (2017), endeavors to study the concept of women entrepreneurs, the reasons women become entrepreneurs, reasons for the slow progress of women entrepreneurs in India, suggestions for the growth of women entrepreneurs, and schemes for the promotion & development of women entrepreneurship in India. It was a case study of a women entrepreneur in Ludhiana.

Khan, M. A. I., & Khan, S. S. (2015), study explored a perspective on the barriers and challenges faced by Women in embracing Entrepreneurship in Oman. This paper highlights the barriers faced by women entrepreneurs, which need to be addressed immediately by making adequate efforts in the proper direction. The study is based on primary data collected through a structured questionnaire from 100 respondents (women entrepreneurs) from the Sultanate of Oman. There is a long way to go for women's entrepreneurship in Oman. And there are plenty of opportunities to be explored and grabbed by women entrepreneurship. The Omani government should immediately start encouraging women to embrace entrepreneurship.

Jakhar & Krishna, C. (2020), examined opportunities and challenges related to entrepreneurship that the women of our country. Women entrepreneurship in India faces many challenges and requires a radical change in attitudes and mindsets of society. It is important to promote entrepreneurship among women to improve the economic situation of women. The actions & steps that have been taken by the government-sponsored development activities have benefited only small strata of society and more needs to be done in this area.

Objective and Methodology of the Study

- To study the Issues and Challenges faced by women entrepreneurs.

This framework is based on a secondary data.

Problems Faced by Women Entrepreneurs

There are problems faced by women at various stages beginning from their initial commencement of enterprise, in running their enterprise.

Lack of Knowledge and Risk-taking ability: Due to less social networks, women lack knowledge about government schemes and other incentives. “It’s difficult to understand the financial terminology” Women say we don’t get knowledge about government policies, nobody tells us, if we are aware, we can better utilize those resources” Priyanka, P., &Preeti, S. (2022). Education is very important and raises awareness of women's business management ability and their hidden strengths. However, most women do not participate in the work because they do not have the necessary skills and risk-making ability.

Work-Life Balance: Work–life balance is a bigger challenge for those who do not have any help at home e.g. maid. Interviewee EE who runs her coaching institute feels that she has to be

constantly on her toes to manage both work and home. After the hectic schedule of her coaching classes, she has to prepare dinner for the family and make her children study. Shastri, S., Shastri, S., & Pareek, A. (2019). Women have a dual responsibility, and running businesses is no excuse for them not to fulfill family responsibilities. So, maintaining a work-life balance is a daunting task for them. As per one study, businesswomen are mostly under stress because of low work-life balance. Priyanka, P., & Preeti, S. (2022).

Economic and Financial-institution-related challenges: It is also believed that the economic environment, including the related institutions, also presents some challenges. Disruptions due to unexpected changes such as the complexity of tax structure, lack of government awareness in supporting women entrepreneurs, and demonetization, to name a few, have also hindered the growth of the economy Shastri, S., Shastri, S., & Pareek, A. (2019). The analysis shows that women entrepreneurs face so much discrimination in accessing finance due to stereotyping prevalent in society that banks deliberately ignore them in providing financing. Although there are many important projects to empower women, this type of discrimination still exists in society. Another important difficulty is that, due to the patriarchal society, most women do not have property or money in their name as collateral to get loans from banks. Even banks think women have less creditworthiness. Priyanka, P., & Preeti, S. (2022)

Being women is their biggest problem in a male-dominated society where men are more important than women, especially in business life. Financial institutions are more critical for women entrepreneurs and their ability to manage their businesses, making it harder for women to get business financing. Women also do not have good protection because important assets, such as homes, are rarely in their names. Goyal, M. (2021)

Banks and financial institutions help finance small and medium-sized firm operators to get financial assistance. However, these banks and financial institutions don't readily provide credit to women entrepreneurs because they doubt the creditworthiness of women entrepreneurs. The irony is that according to a report by the United Nations Industrial Development Organization (UNIDO), women's loan repayment rates are higher than men's but still financial institutes doubt their loan repayment abilities.

Lack of Focus on Career and Cut-Throat Competition: Indian women do not focus on their careers as much as they do on their families and personal lives. Although their entrepreneurial abilities are excellent, they do not focus on their career goals. Their lack of focus on their career creates a problem in promoting women's entrepreneurship. Female entrepreneurs face fierce competition not only from the industry but also from their male counterparts. It is not an easy

task for women entrepreneurs to survive in an intensely competitive environment and achieve the goal of producing quality products at competitive prices.

Cultural Barriers: in India, people think that entrepreneurship is a rough battlefield made for only men. Women have no place to there because they have to take care of their homes, children, and kitchen. Women, like other male entrepreneurs, have less freedom than their families to take risks. However, as women are now getting bolder and having more exposure, they are trying their hand in fields like education, health and fitness assistance, entertainment, and recreation fields.

Less support from family: Indian families are evolving in terms of women working out and making alternative income sources for the families, but many families still don't back such ventures.

Findings, Conclusion, and Policy Implications

The findings of this study have some important implications for women's entrepreneurship literature and policymaking. In the context of the literature, the findings reinforce the significance of contextualization and institutional framework for analyzing women's entrepreneurship. The findings highlight the limited role of informal organizations in women's entrepreneurship. There are also some connections between incentives and informal organizations. Further research could be conducted to examine the effectiveness of legal institutions in encouraging or supporting women entrepreneurs.

The government may also take the initiative of organizing programs, where successful women business owners speak about their experiences to young girls and under training business owners. It may also initiate awards/recognition programs that showcase successful women in business.

The findings further reveal that female entrepreneurs lack networks. Given this, initiatives must be taken by the government to form formal women's business organizations and networks through which the women would not only be better represented as entrepreneurs; but They can learn from each other's mistakes and share resources and knowledge. This network can create a partnership by helping women adjust their goals and buy from each other. Networks may also facilitate an introduction to mentors and investors.

The government should promote women's representation at international and local trade fairs. This would help in women entrepreneurs' improved visibility, fostering networks and identification of potential buyers.

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