



A Study on Factors Inhibiting Growth of Women Entrepreneurs in India and its Probable Solution

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Introduction:

The economic growth of any country depends on the optimum utilization of various resources. Human resources are one of the major resources which are frequently underutilized. The reason behind this underutilization is unequal participation of men and women in economic activities. Gender inequality is a fundamental issue that must be addressed in the realm of entrepreneurship.

In our society, women entrepreneurs have not received the attention or support it deserves. Women's entrepreneurial capability has long been undervalued in India. Women entrepreneurship is intrinsically tied to economic development and growth. It has the potential to be a solution to the problem of gender inequality. There is a positive impact of women entrepreneurship on both developed and developing nations (Sajjad et al., 2020). It has been observed that the growing number of women entrepreneurs reflects the transformation in the economic and social landscape (The Mastercard Index of Women Entrepreneurs, 2020). Increase in the number of female entrepreneurs will not only benefit the women but the economy as a whole will be benefitted from increased production, increased income and the elimination of poverty and unemployment.

Given that women make about half of the Indian population, their participation in entrepreneurship is alarmingly low. Only 8.05 million of the 58.5 million Indian entrepreneurs are women-owned businesses, accounting for only 14 percent of total business in India (Sixth Economic Census, MOSPI). According to the Global Entrepreneurship Monitor (GEM) India Report(2017), the female-to-male participation ratio in early-stage entrepreneurial activity in India is 0.6. (Rajan et al., 2019).

Literature Review:

Hoque et al. (2020) in their research paper “Women Empowerment through Entrepreneurship Development in Bangladesh: A Multivariate Analysis” aims at identifying the development factors of women entrepreneurs and examines the causal relation between development of entrepreneurship and empowerment of women. It was found that the major factor is entrepreneur’s education and training. Another finding of this paper is that women entrepreneurship development improves women empowerment economically, socially and individually by improving their leadership capability.

Rajan et al. (2019) in their research paper “Successful Women Entrepreneurial Business Performance Model in MSMEs in Karnataka” examined the different factors encouraging success of women entrepreneurship and developed a model to decide the most influential factor behind success of women entrepreneurs.

Agarwal and Lenka (2018) in their research paper “Why Research is Needed in Women Entrepreneurship in India: A Viewpoint” aimed to bring out different measures adopted by the Government for improvement of different factors resulting in the growth of women entrepreneurs. It has been found that in spite of so many Government supports, women entrepreneurship cannot be promoted beyond a certain limit. Competency development is the only solution for promotion of women entrepreneurship.

Chanu and Karmakar (2017) examined the Entrepreneurial intensity among the women entrepreneurs of different communities of rural areas in Assam. It has been found that the degree of entrepreneurial intensity is higher among women belonging to socially upward communities and higher degree of Entrepreneurial intensity can produce large number of successful women entrepreneurs.

Objectives:

Despite the significant contribution of women entrepreneurs in Indian context, still they face numerous challenges which can hinder them from achieving the desired level of success. This research is an attempt to:

- i. To focus on various factors inhibiting growth of women entrepreneurs in India.
- ii. To study the role of entrepreneurial intensity in achieving the growth of women entrepreneurs in India.

Factors Inhibiting Growth of Women Entrepreneurs in India:

Indian women entrepreneurs usually are not ready to take the risk for expansion of their business and are more prone to discontinue their business due to various challenges (The Mastercard Index of Women Entrepreneurs, 2018). Some of these challenges are caused due to internal factors and some are caused due to external factors which are discussed below:

(A) Internal Factors:

Starting a business is the result of an interaction between a person who sees a business opportunity and their believed self-capacity to act on it, which includes motivation, self-confidence, and presumed abilities, all of which are set against the unique constraints of their local area. While goals and opportunity are vital for a prospective entrepreneur, turning those intentions into a new business demands faith in one's own abilities as well as the bravery to face the risk of failure that comes with any new enterprise. Hence the three major internal factors inhibiting growth of women entrepreneurs are:

- i. Lack of Self-confidence- Sometimes women lacks their self confidence due to not getting the desired appreciation from the society and family.
- ii. Lack of Motivation- A high rate of discontinuity is observed among the women entrepreneurs. One of the major reasons behind this discontinuity is lack of motivation among them.
- iii. Low Risk-taking capacity- Many women entrepreneurs start businesses with low finances, and they cannot afford to lose that money, thus they are unwilling to take significant risks.

(B) External Factors:

People who are beginning or running a business are required to rely on a variety of different stakeholders, some of whom are formal, such as suppliers and banks, and others who are more informal, such as family and friends. Compared to men, in our society women face a lot of challenges in getting support from all these stakeholders including family.

- i. Lack of society's confidence- In our society, it is still assumed that entrepreneurship is not something that women can do. They have little trust or faith in female entrepreneurs.
- ii. Dual role in home and business- Women have a crucial role in their families. A woman is capable of combining her family and her job, but it is difficult for them to persuade others of her abilities.
- iii. Limited Working Capital- Women can sometimes raise some funds to establish a business, but they frequently face problems with working capital. Because society lacks faith in female entrepreneurs, people are hesitant to invest in female-run businesses.
- iv. Challenges in getting loan- Because of our society's attitude, even banks and financial institutions are hesitant to lend to female entrepreneurs. They are convinced that women entrepreneurs are incapable of conducting business and, as a result, will be unable to return the loan. In other situations, they will even inquire whether there is a male partner in the business or whether the loan can be taken out in the name of her father/husband or any other male person.
- v. Lack of training and guidance- Though the government takes initiatives from time to time to offer training programmes for women entrepreneurs as well as schemes or packages tailored specifically for them, women entrepreneurs fail to benefit from these because of a lack of awareness.

Role of entrepreneurial intensity in achieving the growth of women entrepreneurs in India:

Women's sustainable development should be seen as a milestone of progress for every country. Human resource mobilisation and development necessitates the sustainable development of women's resources, including their abilities, interests, skills and other potentials. Women entrepreneurs need to have a high level of entrepreneurial intensity in order to achieve this.

Entrepreneurial intensity helps in measuring the commitment and dedication of an entrepreneur towards his/her business. It refers to the degree and frequency of entrepreneurial activity where degree is to be measured in respect of innovativeness, risk taking ability and pro-activeness of an individual while frequency means the various entrepreneurial events undertaken (Chanu & Karmakar, 2017).

Conclusion:

Women's development is directly related to a nation's development. In order to achieve higher growth in women entrepreneurship and for ensuring their sustainable development, initiatives must be taken for improving the level of entrepreneurial intensity and awareness about Government sponsored programmes. High entrepreneurial intensity ensures better performance of women entrepreneurs which will result in growth in the number of successful women entrepreneurs. The role of both Central and State Government is quite significant in motivating the women entrepreneurs and increasing their participation in entrepreneurship. Government is continuously introducing different supportive schemes and policies especially for women entrepreneurs like Annapurna scheme, Mudra Yojana scheme, Dena Shakti scheme, etc. but there is a lack of awareness about these programmes among the women entrepreneurs.

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