

## **FEMALE VENTURES' IN SMALL BUSINESS SECTOR OF INDIA: PROBLEMS AND PROSPECTIVE OPPORTUNITIES**

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### **ABSTRACT**

*India is the second largest populous and amongst the top most resource rich country in the world. In order to provide employment opportunities and to boost the growth rate of the economy, small business has proved to play a significant role in the recent past. Availability of ample skills and talents along with fewer financial resources has given small business a plethora to accelerate entrepreneurship and provide solutions to socio-economic problems in India. From time immemorial, Indian culture has given due importance to the role of women in all aspects and Indian females have proven their mettle in business field as well. Small business has provided a vast platform to utilize and tap this potential. Through this platform women are getting opportunities to go hand in hand with men and exhibit their skills and support the families financially by becoming job providers instead of job seekers. Like all other sectors of the economy, women in small business sector are also confronting serious socio-economic issues. This research study is an attempt to diagnose some of the major problems faced by female ventures' in small level businesses in India. With the available data, this study also focuses on resolving these issues through the enormous prospects of female ventures'.*

**KEYWORDS:** *Female Ventures', Socio-Economic Issues, Financial Resources, NSSO.*

### **Introduction**

The continuous changing role of Indian women has emerged as an important issue in recent times. In present era, the financial empowerment of women is being regarded as a Sine-quo-non of development and growth for each and every country on this planet. In this way the issue of women empowerment is of paramount importance to all economists, social activists and political leaders of a nation. Since the introduction of new economic policy in the year 1991, the origin of female ventures' and their growing contribution to the every sector of economy is easily observed in India. India is situated in the southern part of the Asia continent, so, it is nicknamed as the 'Indian sub-continent'. In geographical terms the country is the seventh largest in the world and in terms of population; it stands at second position with over 1250 million inhabitants including 49% of females. It is an agro-based economy with almost two-third of the total population dependent on agriculture for livelihood. As world's sixth largest economy, India plays a pivotal role in the economy of the continent. In the recent past it has been recognized as high potential and promising area in terms of contribution towards employment generation and overall economic growth. Cities like Mumbai, Delhi, Bengluru, Chennai, Kolkatta, Hyderabad etc. are constantly growing and becoming a software and industrial hub. Such cities have grown many folds and have attracted businesses from other parts of the nation. Top corporate houses that includes foreign investors as well, have already invested heavily in concurrent projects going on in India, making it as one of the leaders on the pavement of industrial growth.

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### Objectives

With the reference to the performance of female ventures' in past few years, the records reveal that they are capable of contributing much more than their present capacity. In each and every type of industry, they have proved their capabilities along with taking care of their household responsibilities. To have a better insight, the role of the female ventures' in the sector of small business needs to be discussed thoroughly. Therefore, the researchers have undertaken this study to focus on the following objectives:

- To analyze the status of women ventures' in the small business of state of MP.
- To examine the reasons behind lower participation of women ventures' in the sector in comparison to all over India.
- To analyze the main problems faced by women ventures' in the small business of the country.
- To provide appropriate suggestions to solve the identified challenges and to list the prospective opportunities for women ventures' in small business sector.

### Limitations

- This research study is based on only small business of India.
- This research study is focused on the issues of female ventures' in India
- This research study is based on secondary data mainly published by Ministry of MSME, India and other Government organizations.

### Problems of Female Ventures' in Small Business Sector

#### • Lack of Awareness and Mental Preparation

With the increasing cost of living and growing needs, the burden of expenditure is increasing day by day in all over the world, and the India is not an exception to it. With the available data, we can clearly observe this rapid increase in expenses towards maintaining the standard of living in past few years. These growing expenses are the source of motivation for women to look for alternative income avenues which provide them with more chances to save money for the future. Women, especially in rural areas, most of the time searches for some additional source of income with collective time-bound efforts. The non-awareness among women regarding these alternative sources proves to be a major bottleneck to tap the opportunity of setting up a small business. They lack in concrete information pertaining to identification & incubation of a business idea, processing it further & taking initiatives to look for different sources of funds collection. This lack of business knowledge proves to be more discouraging with the scarcity of proper training, guidance and monitoring agencies available at their doorstep. The situation is similar to a school with all the available facilities & students but with less number of teachers than required. This may be the reason of the related programmes of central and State Government not achieving the desired results.

#### • Burden of Dual Responsibility with Nominal Income

The basic nature of Indian women to work hard and handle multiple tasks enables them to make extra efforts to increase their earnings. But these extra efforts do not always help them in fulfilling all their needs and often prove to be insufficient. So much involvement in routine and other extra activities do not allow them to think out of the box with a wider approach which is a key characteristic to become an venture. This life style restricts the inflow of new thoughts and business ideas and also hampers their ability to take risks. Decentralize their routine work and take domestic help from family and others so that they can devote valuable time on business way. According to the 68th Round of a survey organized by the NSSO, Work Participation Ratio (WPR) of the rural women of India is 37.2%. It clearly shows the noteworthy input given by rural females. Apart from this, majority of women have occupied in numerous agricultural ventures to assist their male earning members. This signifies their noticeable contribution not only as a homemaker but also as a major supporting hand for their families.

**Table 1: Percentage of Female Ventures' in Micro, Small and Medium Business Sector of India (For the Financial Year 2017-18)**

Category	Male	Female	All
Micro	79.56	20.44	100
Small	94.74	5.26	100
Medium	97.33	2.67	100
<b>All</b>	<b>79.63</b>	<b>20.37</b>	<b>100</b>

Source: www.msme.gov.in

- **Analysis**

The above chart shows that female contribution in sector is very low and in the medium scale sector, it is the lowest.

- **Common Approach for Urban & Rural Area**

Maximum population of India resides in rural area. The working environment of rural area is completely different from that of the urban area. Working women those belong to rural area have a different education level, living standard, skills, attitude and priorities. There is a need of special attention to understand knowledge, environment, need and problems of the female ventures' of the rural area. There is no separate plan to promote small business entrepreneurship according to the area differences. Therefore it is essential to draw separate plans and programmes for women entrepreneurs coming from urban and rural regions separately.

Ñ **Urban Females: Small Business Vs. Job Opportunities**

The education and knowledge level of the urban women of India is greater than that of the rural women. They are aware of various career opportunities and business ideas. These women having education and high qualification prefer a job, over setting up a small business. This is because searching a job with required qualification and experience is easier than setting up a small business. This is the main reason behind the less number of female ventures' in the urban area of country. Lack of required information through a reliable source for starting a small business is also a drawback not encouraging women to initiate with setting up their own business.

The formation of the small business is definitely not easy as finding a job, but on the other side, with small business these women can earn more than the fixed amount of salary and they would be capable enough to provide employment opportunities to others as well. Another difference an opportunity of earning a decent reward for business risk taken, means there are equal chances of profit and loss. On other hand in job employment there is no such risk involved. It means in the urban area available job opportunities giving a tough competition to the establishment of a small business. So there is a need to look the problems of the urban area with a different angle, as they need simple procedure to form a small business and a solid support to take the financial risk.

**Table 2: Female Ventures' in Micro, Small and Medium Business Sector of Rural and Urban Area of India (For the Financial Year 2017-18)**

Sector	Female (In Lacs)	Male (In Lacs)	Total (In Lacs)	Share of Female Ventures' (in %)
Rural	137.50	360.15	497.78	27.61
Urban	127.42	484.54	612.10	20.81
<b>Total</b>	<b>264.92</b>	<b>844.68</b>	<b>1109.89</b>	<b>23.88</b>

Source: www.msme.gov.in

- **Analysis**

This table shows that the urban female's contribution in small business is less as compared to rural women. This indicates urban females prefer job rather than setting up her own business unit.

Ñ **Financial Sources**

Finance is the life blood of every business. It is essential for setting up and running small business smoothly. Collection of funds for female ventures' is more difficult as compared to male ventures', because the financial power always lies in the hands of male family members. In this way arranging funds for a new business from its internal family funds for women is a challenge. They will have to convince each family member to use their family funds, which is not an easy task in our society. The state is not an exception to this challenge and here also women are not financially independent. They are expected to take permission from earning as well as non earning members of the family before taking any financial decision. Collection of the funds from external sources is also quite difficult for them as they lack primary knowledge pertaining to documentation and formalities to be performed for collection of funds. They confront the problem of fund collection as they are not active at the ground level as the male entrepreneurs are. Limited movement of the women, society obligations, household responsibilities and male dominance at work places are some more attributes making these problems more serious.

### Ñ **Attachment with Family**

Indian women are emotionally attached to each and every member of their family. This attachment towards their family members may provoke them to accept all the family tasks including household work, looking after the children and elder members etc. This overburdens their responsibilities. All these activities consume lot of time and their energy. So in this situation it is very difficult for them to divert their focus from household chores to operating the business successfully. Like a male member of the family they are not free from family affairs to focus on this. Above all of them there is lot of expectations of family member from the women with relation to family matters.

### Ñ **Other Issues**

Apart from the above discussed points there are other issues as well which are confronted by the female ventures' of small business in the country:

- Tough competition from other large and small business enterprises.
- Low Risk taking capabilities in the field of new ventures.
- Limited movement of women due to safety concerns in the society.
- Lack of entrepreneurial approach to tap the business opportunity.
- Less and limited ability to manage the business affairs alone.
- Various legal formalities of government department to form and run a business
- Unfair exploitation by middle- men in the field of the marketing of products.
- Nominal support from the family members and the society.
- Negative attitude of other male businessmen in the same field.
- Male dominated society with lots of restrictions.

### **Prospective Opportunities**

Women role is equally instrumental in the development of any economy; therefore various policy initiatives have been taken by the government to encourage female ventures' in small business sector. The government is playing a proactive role in supplementing various facilities and privileges for motivating women to undertake business endeavors under small business sector and offer prospective opportunities to make them realize their importance in the society. Some of the government initiated schemes are explained below:

- **Govt. Training and Skill Development Programmes to Promote Female Ventures' in Small Business**

Both at the central level and the state level Government is really trying hard to increase the participation of the women entrepreneurs' in the field of small business. MP government is also taking many efforts to encourage women involvement in small business. All the State Governments and Central Govt. initiate several schemes to promote female ventures' in small business such as:

- **Mukhyamantri Kaushal Sanvardhan Yojana (MMKSY)** is designed to provide training to the youth of MP from 15 days to 9 months related with trades of furniture, tourism and hospitality, banking and financial services, security services, retail, telecom, food processing, automotives, capital goods etc.
- **Mukhyamantri Koushlya Yojana (MMKY)** is developed to provide training to the women from 15 days to 9 months related with trades of telecom, food processing, automotives, apparels, healthcare, beauty and wellness, capital goods etc.
- **Mahila Coir Yojana** is conducted by Coir Board, which provides self-employment opportunities to the rural women artisans. This scheme envisages distribution of motorized ratts and other coir processing equipments to women artisans.
- **Trade Related Entrepreneurship Assistance and Development (TREAD)** is another women-oriented scheme implemented by the Office of Development Commissioner (MSME). This scheme works for the economic empowerment of illiterate and semi-literate women through trade-related training, information and counseling extension activities related to trades, products, services etc. This Assistance is provided for self-employment ventures undertaken by women for pursuing different kind of non-farm activity.

- **Financial Assistance Programmes Run by Government**

Under Pradhan Mantri Mudra Yojna (PMMY) in India, around 16 Crore female ventures' are benefitted during financial year 2016-17. The total amount disbursed to women entrepreneurs was rupees 37052.59 Crore. MP is one of the top 10 states get the benefit of this yojna. The loan disbursement to female ventures' under this yojna was 56.27% out of total amount disbursed of Rs. 7769029 Crore

- **Financial Assistance Programme Initiated by Commercial Banks**

Punjab and Sind Bank has initiated with this loan scheme for female ventures' to encourage them obtain and avail easy business loans on simple terms and conditions at a competitive low interest rates. Under this scheme, female ventures' aging between 18 to 45 years can obtain loan up to rupees one lakh to execute a business plan. Those who are already engaged in small enterprises, retail and agriculture could avail this loan with flexible tenure and lower returns. To promote female ventures' in small business sector, India' s second largest public sector bank PNB also has come affront supporting aspiring females who wish to turn entrepreneurs. Mahila Sashaktikaran Abhiyan, Kalyani Card Scheme, Mahila Samridhhi Yojna and Mahila Udyam Nidhi Scheme are some of such schemes by PNB. The Stree Shakti is a small business loan made available by State Bank of India to the female ventures' This scheme aims at supporting women entrepreneurship in India by providing loan at certain concessional rate. An enterprise should have more than 50% of its share capital owned by women to qualify for the scheme. Under this scheme the margin will be lowered by 5% as applicable to separate categories. There is no security required for loans up to Rs 5 lakh.

- **Role of the NGOs**

In one of the Indian state, MP 46 villages located in various district 1000 young women have been trained and transformed into entrepreneurs under Child Fund project supported by an NGO. They are earning around 3000-4000 monthly and they have also opened personal bank account and their understanding on financial management has also increased. Another NGO Udyogini, works to empower the poor and socially marginalized women with adequate skills and resources necessary for developing and managing micro-enterprises. Udyogini is currently operating in Uttarakhand (Dehradun, Chamoli), Rajasthan (Udaipur, Bikaner, Pugal), Bihar (Patna, Kishanganj), Assam (Goalpara), Jharkhand (Ranchi, Khunti), Orissa (Keonjhar, Rayagada), and Madhya Pradesh (Jabalpur, Mandla, Chihindwara).

### **Small Business in India: Recent Initiatives**

To overcome this situation and to promote female ventures' in this sector, the government has initiated with many schemes that provides ample opportunities through training programs in agricultural and allied sector. This can be supported with an example. Training had been provided under RSETI and CEDMAP in Ujjain district. After training 83 loans were disbursed of which 50 loans was disbursed to women entrepreneurs who provided direct employment to 4000 persons and indirect employment to 10000 persons. Being an agro based economy, huge supply of raw material with best quality and the reasonable price, MP is emerging as hub of agro based industries and food processing industries. These industries are not only eco friendly but are useful for all the type of entrepreneurs' of the state. Basically these industries are female ventures' friendly for example wooden furniture, disposable plates from banana leaves, natural colours, biogas production, paper bags, wooden toothpick, broom stick processing plant etc. Industries located in India are largely natural resources driven. The country has abundant natural wealth in the form of limestone, coal, Soya, cotton, bauxite, iron ore, silica and so on. Therefore, the state witnesses a strong industrial base in sectors like textile, cement, steel, Soya processing and optical fiber. The Government has laid out business friendly policies for accelerating industrialization of the state providing equal opportunities to aspiring women entrepreneurs to set up with their own business units and giving them a platform for utilizing their capabilities to grow as an independent person.

### **Suggestions**

Women today are creating exceptional and ground-breaking accomplishments in every sphere of life and are optimistic about what the future holds for them. They are increasing engaged in the informal economy and operating in the small scale sector, cottage industries, and micro enterprises. With proper governmental and societal support, these women can create sustainable, organized and growth-oriented enterprises with a vision. To promote the prospective opportunities for female ventures' the government of India should come up with strategies like:

- Large scale campaign like swachh Bharat should be initiated to promote female ventures'
- Personalised approach for the development of rural female ventures'
- Separate venture fund exclusively for the development of female ventures'
- Tax exemptions for female ventures'
- Social awareness
- Development of women friendly infrastructure
- Changing the mindset of male chauvinism

An extensive ground level initiative is required to solve this problem, because our rural area is the treasure of thousands of untapped opportunities for hard working women of India. Breaking this stagnant approach is essential to promote rural female ventures'.

### **Conclusion**

An enriched female venture' does not only prove to an economic solution but becomes solution to various social retardations like crime against women (human trafficking, domestic violence, glass ceiling and varied discriminatory practices etc) and engenders personal autonomy and empowerment. The researcher has carefully studied the enabling factors, the important problems both general and women specific and the prospective factors which according to the participating women entrepreneurs have encouraged the female ventures' to keep going in their business Endeavour. Although there are numerous problems faced by women initiating business in small business, the government of India has instigated various schemes to encourage women to carry out the task and set up business under small business schemes.

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