



## CONSTRAINTS AND MOTIVATING FACTORS FOR INDIAN WOMEN ENTREPRENEURS IN SMALL SCALE INDUSTRIES – A STUDY

Dr. S.G. Rama Rao\* Prof. R. UdayaBhanu\*\*

\*Assistant Professor, GITAM Institute of Management, GITAM University, Visakhapatnam.

\*\*Principal, MBA Department, Sri Indu Group of Institutions, Vanastalipuram, Hyderabad.

### Abstract

Economic and social development of women is essential for overall economic development of any society and country. For sustainable economic growth of any nation the small scale women entrepreneur has a major role so we can't neglect them. Even after 70 years of independence women in India are underprivileged and they continue to struggle to get their entrepreneurial liberty. Empowerment of women is a strategic tool to struggle their problems viz., unemployment, poverty, gender bias etc., encountered in the process of helping economic development. Due to change in Global perceptions now people are more comfortable to admit leading role of women in the society, even though there are some exceptions. Service sector has created more entrepreneurial opportunities particularly for women where they can excel their skills and commitment. Hence, the present study focuses on examine the demographic profile of women entrepreneurs in the small-scale sector in East Godavari district, Andhra Pradesh, India tries to analyse the various factors responsible for women entrepreneurship development and examine the factors those are influence to start the business.

**Key words:** Empowerment; MSME; Employment; Demography; Self Help Group.

### Introduction

Empowerment of women is a strategic tool to combat their problems viz., poverty, unemployment, gender bias, etc. encountered in the process of furthering economic development. This concept is being tried extensively by many nations, and the results from that place are quite encouraging. Empowered women bring prosperity to their family specifically, to the community in general and the whole universe at large. Mohammad Yunus, founder of the Grameen Bank (1975) in Bangladesh provided a success model to the world. A well-designed microfinance program will prove to be an effective tool for policy makers in empowering women with its associated benefits. Empowerment of women is multi-faceted to encompass their literacy, financial, health, social and political aspects. This made possible with the all-around interventions of the agencies like state, community organizations and the women themselves.<sup>i</sup>

### Women Empowerment in India

In India, women comprise about nearly 30 percent of corporate senior management positions, which is remarkably higher than the global average (24 percent). But in the total workforce, India is one of the worst countries in the world – 113<sup>th</sup> out of 135 – when it comes to the gender gap and women entrepreneurs constitute only 10 percent of the total number of entrepreneurs in the country.<sup>ii</sup>

The present paradigm of empowerment of women is not a woman in development but a gender and development. The women in development paradigm assumes that they have been left out in development process and hence need to be integrated to give benefit, gender and development paradigm recognizes women's triple role i.e. in reproduction, production and community management. Therefore, the main objectives of development programs in this context be categorized as (i) initiate income generating programs; (ii) sensitize women about their rights, entitlements, and legal framework; and (iii) take up capacity building measures.

It is seen that gender inequality retards economic growth. There is growing evidence to suggest that several aspects of gender relations, the gender-based division of labor, disparities between males and females in power and resources, and gender biases in rights and entitlements act. It is commonly held that, investments in female education and health tend to increase the incomes of families; educated women who know more about health and hygiene, are also able to practice this knowledge; better educated women can adopt newer technologies, hold on to new opportunities, and cope us with economic shocks.<sup>iii</sup>

### Empowerment Approach

The empowerment approach arises from a strong commitment to women's rights and capacity to make their own decisions about development strategies, under the credit for intermediation, provide women the opportunity to acquire the ability and entitlement to their own lives, set their own agenda, gain skills, solve problems and develop autonomy. Significantly, the member of SHG's may exhibit the following outputs, resulting from their activities; (i) acquisition of literacy and numerically skills; (ii) awareness of basic legal rights; (iii) awareness of projects and state development activities; (iv) critical



political consciousness; electoral process, societal analysis and gender issues; (v) enhanced social status as perceived by self and other's; (vi) freedom from exploitation, money lenders, landlords etc; (vii) active role in organization of group and other political bodies, viz. Panchayat; (viii) ensuring literacy and education of girl child; (ix) health consciousness; (x) restructuring of women's time utilization; and (xi) enhanced decision-making powers within the household.<sup>iv</sup>

### **Micro, Small and Medium Enterprises**

Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. MSMEs not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural and backward areas, thereby, reducing regional imbalances, assuring more equitable distribution of national income and wealth. MSMEs are complementary to large industries as ancillary units, and this sector contributes enormously to the socio-economic development of the country.

The Micro; Small and Medium Enterprises Development (MSMED) Act was notified in 2006 to address policy issues affecting MSMEs as well as the coverage and investment ceiling of the sector. The Act seeks to facilitate the development of these enterprises as also enhance their competitiveness. It provides the first-ever legal framework for recognition of the concept of "enterprise" which comprises both manufacturing and service entities.<sup>v</sup> It defines medium enterprises for the first time and seeks to integrate the three tiers of these enterprises, namely, micro, small and medium. The Act also provides for a statutory consultative mechanism at the national level with balanced representation of all sections of stakeholders, particularly the three classes of enterprises; and with a wide range of advisory functions. Establishment of specific funds for the promotion, development and enhancing competitiveness of these enterprises, notification of schemes/programs for this purpose, progressive credit policies and practices, preference in Government procurements to products and services of the micro and small enterprises, more effective mechanisms for mitigating the problems of delayed payments to micro and small enterprises and assurance of a scheme for easing the closure of business by these enterprises are some of the other features of the Act.<sup>vi</sup>

Micro, Small and Medium Enterprises (MSME) contribute nearly 8 per cent of the country's GDP, 45 per cent of the manufacturing output and 40 per cent of the exports. This sector provides a high level of employment opportunities after agriculture. They are the nurseries for entrepreneurship and innovation. They are widely dispersed across the country and produce a diverse range of products and services to meet the needs of the local markets, the global market, and the national and international value chains.<sup>vii</sup>

### **Government Policy towards Women Empowerment in India**

Gender equality and women empowerment are the buzzwords, entrusted with different interpretations to suit varied socio-political perspectives. The rhetoric of gender equity and women's empowerment has acquired an important place in government policy, non-government advocacy, media and academic research. The terms, women empowerment, and gender equality determine the direction of diverse discourses on women, locally, nationally and internationally.<sup>viii</sup>

The action plan, as recommended by international conference on Population and Development at Cairo (1992), included: (i) establishing mechanism for women's equal participation and equitable representation at all levels of the political process; (ii) promoting the fulfillment of women's potentials through education, skills development and employment, giving paramount importance to the elimination of poverty, illiteracy and ill-health among women; (iii) eliminating all practices that discriminate amongst women and assisting them to establish and realize their right; (iv) adopting measures to improve women's ability to earn income beyond traditional occupations, achieve economic self-reliance and ensure their equal access to the labour market and social security systems; (v) eliminating violence against women; (vi) eliminatory practices by employers against women; (vii) making it possible through laws, regulations and other appropriate measures for women to combine the roles of child-bearing, breast-feeding, and child-rearing with participation in the workforce; (viii) strengthening policies and programs that improve, ensure and broaden the participation of women in all spheres of life as *equal* partners and improve their access to all resources needed for the full exercise of their fundamental rights.<sup>ix</sup>

Economic empowerment is a necessary condition for enabling women to seek justice and equality. Without economic strength, women cannot exercise their guaranteed rights. It is, therefore, necessary to seek participation of women as equal partners with men in all fields of work, equal access to all positions of employment, equal opportunities for work related training and full protection of women at work place. Economic empowerment of women, including reduction of female poverty require programs that focus on identifying, developing and promoting alternative approaches to increase women's access to and control over the means of making a living on a sustainable and long term basis. It necessitates supporting their



existing livelihood, widening choices and building capacity to take advantage of new economic opportunities. It strategies to advocate that the government undertakes legislative measures to speed up women's participation in economic life, including the right to equality in property ownership and inheritance and access to credit, financial service and assistance in entrepreneurial development.<sup>x</sup>

### Objectives

- To examine the demographic profile of women entrepreneurs in the small-scale sector in East Godavari district, Andhra Pradesh, India.
- To know the type of reasons to start the business.
- To dwell out the problems and prospects of women entrepreneurs in East Godavari District.

### Methodology

To pursue the objectives mentioned above, data from both primary and secondary sources were necessary. The secondary data were collected from the records of SME reports of Government of India through online. Primary data was collected from the sample of women entrepreneurs in East Godavari District.

**Area of the study and sample selection:** The area covered for the collection of Primary data is restricted to East Godavari District only. A sample survey was taken up a sample of 300 women entrepreneurs were selected and using convenience sampling method. A structured questionnaire was designed to elicit information from the sample respondents on various issues related to SME's. The researchers conducted personal interviews with women entrepreneurs at the time and place convenient to them. Adequate care was taken to minimize field errors. SPSS is used for data analysis.

### Respondents' Demographic Profile

Frequency distribution profile of respondents showed that majority of the respondents (more than 50per cent) fall in the age range between 31 to 40 years of age (Table 1). The educational background of the respondents revealed that a little over 52per cent of the respondents were having only Primary education qualifications; whereas about 34.7 per cent of the respondents were have Secondary education. About 53 per cent of the respondents were belongs to Forward community and only 2.7 per cent of the respondents representing Schedule Tribe community. The annual income of the respondents varied between below ₹1,00,000 and above ₹ 5,00,000. Majority of the respondents (56.7 per cent) earned income between ₹1,00,000 to ₹2,50,000 per month. Only 25 respondents' annual income was more than ₹5,00,000 per annum representing 8.3 per cent of the total. Further insight into the table, 94.6 per cent of the respondents' are married and only 1.4 per cent of the respondents either widows or divorced. Further enquired about their type of family, 68.3 per cent of the respondents' family type is nuclear and rest of the women's family type is joint family.

**Table 1: Respondents' Demographic Profile(n=300)**

Demographic variables		Respondents	Percentage
Age	<21 years	1	00.3
	21-30 years	50	16.7
	31-40 years	151	50.3
	>40 years	98	32.7
Education	Primary	157	52.3
	Secondary	104	34.7
	Graduation	6	02.0
	Post-Graduation	7	02.3
	Technical	26	08.7
Community	Forward	159	53.0
	Backward	108	36.0
	SC	25	08.3
	ST	8	02.7
Annual Income (₹)	<1,00,000	31	10.3
	1,00,000 – 2,50,000	170	56.7
	2,50,000 – 5,00,000	74	24.7
	> 5,00,000	25	08.3
Marital Status	Married	284	94.6
	Unmarried	12	04.0
	Widow	2	00.7



	Divorce	2	00.7
Type of Family	Nuclear	205	68.3
	Joint	95	31.7

Source: Primary Data

Experience is an important factor that determines the level of an employee on the job. It affects both the living and general conditions of life. Table 2 presents data on the experience of the respondents in all the sectors (Micro Small and Medium Enterprises). According to the table, about 47 per cent of the respondents have their experience running from 6-10 years. A significant number of respondents experience is below 5 years and this group represents 34.3 per cent of the total. As many as 6.7 per cent of the respondents have more than 20years of experience in this field. It is a good sign for developing of women empowerment in East Godavari representation.

**Table 2: Length of Experience**

(n=300)

Particulars	No. of Respondents	Percentage
<5 Years	103	34.3
6-10 Years	141	47.0
11-15 Years	20	6.7
16-20Years	16	5.3
>20 Years	20	6.7

Source: Primary Data

Nature of business is an important factor to identify the manufacturing or service sectors. It may influence the attitude of women entrepreneur. The details presented in Figure 1 shows that the nature of business of the respondents. About 53 per cent of the respondents belongs to service oriented businesses and the remaining 47 per cent are belongs to manufacturing oriented entrepreneur.



Figure 1: Nature of Business

Figure 2 explains the type of organization is operated by entrepreneur. As many as 78 per cent of the respondents are operating their business under sole proprietorship and 17 per cent of the respondents are operating partnership business. Only 5 per cent entrepreneurs are registered their firms under the Company's Act 1956 as Pvt. Ltd. Company and operating their business.

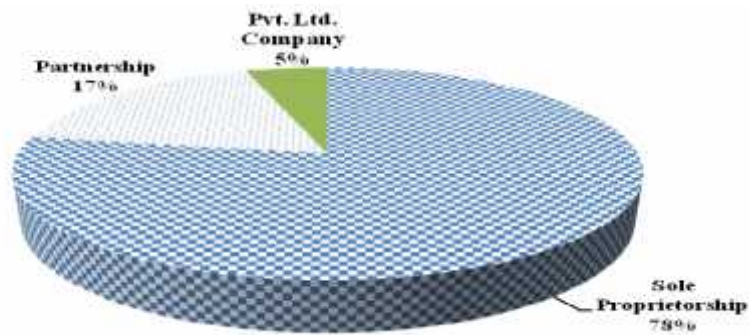


Figure 2: Type of Organization



Table 3 reveals the information about reasons to start the business. A little over 36 per cent of the respondents opined that they start their business by interest and the same level of respondents started their business with the interest of support to the family. About 13 per cent of the respondents' motivation factor to start the business is government subsidy. Livelihood and support to economy are the other tested factors in this category and these two factors are least motivating factors for the respondents.

**Table 3: Reasons to start the firm**

(n=300)

Particulars	Annual Income (₹)				Total
	<1,00,000	1,00,000 - 2,50,000	2,50,000 - 5,00,000	> 5,00,000	
Govt. Subsidy	4 (1.3)	21 (7.0)	8 (2.7)	6 (2.0)	39 (13.0)
Livelihood	2 (0.7)	12 (4.0)	4 (1.3)	3 (1.0)	21 (7.0)
Support to Family	9 (3.0)	67 (22.3)	24 (8.0)	8 (2.7)	108 (36.0)
By Interest	12 (4.0)	62 (20.7)	30 (10.0)	6 (2.0)	110 (36.7)
To develop economy	4 (1.3)	8 (2.7)	8 (2.7)	2 (0.7)	22 (7.3)

Source: Primary Data, Figures in parenthesis indicate percentage to the total.

As many as 66 per cent of the respondents were not aware of the schemes designed by the Government to support the Small Scale Industries, whereas 34 per cent of the respondents have idea about the schemes offered by the Government for this sector (Table 4). It indicates that the majority of respondents are not aware the benefits provided by the government.

**Table 4: Do you know the Schemes designed by the Government to support the Small Scale Industries ( n=300)**

Particulars	Annual Income(₹)				Total
	<1,00,000	1,00,000 - 2,50,000	2,50,000 - 5,00,000	> 5,00,000	
Yes	11 (3.7)	60 (20.0)	21 (7.0)	10 (3.3)	102 (34.0)
No	20 (6.7)	110 (36.7)	53 (17.7)	15 (5.0)	198 (66.0)

Source: Primary Data, Figures in parenthesis indicate percentage to the total.

The statement 'Have you utilized Government training program(s)', out of the total, 70.7 per cent of the respondents were not agreed to the statement and only 29.7 per cent of the respondents were agreed to the statement (Table 5). Further look into the table, the annual income group of ₹1,00,000 to ₹2,50,000 entrepreneurs (48 respondents) are utilizing the services of Government. The Table 4 and Table 5 are indicates that majority of the respondents may not aware about government services that are provided to entrepreneurship development.

**Table 5: Have you utilized Government training program(s)?**

(n=300)

Particulars	Annual Income (₹)				Total
	<1,00,000	1,00,000 - 2,50,000	2,50,000 - 5,00,000	> 5,00,000	
Yes	10 (3.3)	48 (16.0)	23 (7.7)	8 (2.7)	89 (29.7)
No	21 (7.0)	122 (40.7)	51 (17.0)	17 (5.7)	211 (70.3)

Source: Primary Data, Figures in parenthesis indicate percentage to the total.



Respondents opinion on 'Support given by the Government' details are presented in Table 6. The support includes finance assistance, infrastructural support, training to employees, clearances, etc. About 40 per cent of the respondents opined that the support extended by the Government to women entrepreneurs is average. As many as 32 per cent of the respondents opined that the support of the Government either poor or very poor for women entrepreneurs. Only 10.7 per cent of the respondents opined that the government support is very good to women entrepreneurs. Further look into the table, 20.7 per cent of the respondents said that the support from the Government is average from the group of annual income ₹1,00,000 to ₹2,50,000.

**Table 6: Support given by Government**

(n=300)

Particulars	Annual Income (₹)				Total
	< 1,00,000	1,00,000 - 2,50,000	2,50,000 - 5,00,000	> 5,00,000	
Very good	1 (0.3)	20 (6.7)	7 (2.3)	4 (1.3)	32 (10.7)
Good	5 (1.7)	30 (10.0)	13 (4.3)	4 (1.3)	52 (17.3)
Average	12 (4.0)	62 (20.7)	34 (11.3)	12 (4.0)	120 (40.0)
Poor	8 (2.7)	39 (13.0)	14 (4.7)	5 (1.7)	66 (22.0)
Very Poor	5 (1.7)	19 (6.3)	6 (2.0)	-	30 (10.0)

Source: Primary Data, Figures in parenthesis indicate percentage to the total.

The data presented in Table 7 related to problems faced by entrepreneurs. As many as 29 per cent of the respondents are facing the problem with finance and availability of skilled employee and competition are the other factors severely affects the business of the respondents. Further examine the table, annual income group of ₹1,00,000 to ₹2,50,000 are facing problems with finance more.

**Table 7: Problems faced by entrepreneurs**

(n=300)

Particulars	Annual Income (₹)				Total
	<1,00,000	1,00,000 - 2,50,000	2,50,000 - 5,00,000	> 5,00,000	
Finance	8 (2.7)	56 (18.7)	19 (6.3)	4 (1.3)	87 (29.0)
Employees	7 (2.3)	35 (11.7)	22 (7.3)	3 (1.0)	67 (22.3)
Raw Material	4 (1.3)	18 (6.0)	9 (3.0)	3 (1.0)	34 (11.3)
Transportation	5 (1.7)	24 (8.0)	9 (3.0)	6 (2.0)	44 (14.7)
Competition	7 (2.3)	37 (12.3)	15 (5.0)	9 (3.0)	68 (22.7)

Source: Primary Data, Figures in parenthesis indicate percentage to the total.

The details of employment provided by the women entrepreneurs are presented in Table 8. Majority of the entrepreneur firms (76.7 per cent) are having below 50 employees. Only one per cent of the entrepreneur firms provided more than 200 employment. About 44 per cent of the respondents who are belongs to the annual income group of ₹1,00,000 to ₹2,50,000 are providing below 50 jobs in their organization. The results shows that the entrepreneur firms providing below 50 jobs in their organization because of the size.



**Table 8: How much employment are you providing?**

(n=300)

Particulars	Annual Income (₹)				Total
	<1,00,000	1,00,000 - 2,50,000	2,50,000 - 5,00,000	> 5,00,000	
< 50 members	26 (8.7)	132 (44.0)	53 (17.7)	19 (6.3)	230 (76.7)
50 - 100 members	5 (1.7)	32 (10.7)	16 (5.3)	6 (2.0)	59 (19.7)
100 - 200 members	-	3 (1.0)	5 (1.7)	-	8 (2.7)
>200 members	-	3 (1.0)	-	-	3 (1.0)

Source: Primary Data, Figures in parenthesis indicate percentage to the total.

### Findings of the study

More than half of the respondents' age group is 31 years to 40 years. About 52.3 per cent of the respondents having only primary education and majority of the respondents are belong to forward community group. Nearly 57 per cent of the respondents are fall in ₹1,00,000 to ₹2,50,000 annual income group. Married women and nuclear family type respondents are dominating the remaining areas in the study. Majority of the respondents' length of experience is 6 years to 10 years. Most of the firms in this study are fall in services sector and common respondents are belongs to sole proprietorship. Own interest is the motivating factor to start the business. Government support is very less to operate the firm in terms of finance support or training to the employees of organization. Majority of the respondents are facing the problem with fiancé and the other important problems are competition in the field and skilled employee availability. Most of the respondents opined that Government support is average.

### Conclusion

India is still developing country and follows mixed economy system. The Indian social set up has been traditionally a male dominated one and women are assumed to be economically as well as socially dependent on male. Women entrepreneurs are having basic indigenous knowledge, skills, potential and resources to establish and manage enterprise, but simultaneously women entrepreneurs faced lots of problems like lack of education, social barriers, legal formalities, high cost of production, male dominated society, limited managerial ability, lack of self-confidence, harassment and not fulfillment of rules and regulation etc. Successful leading business women in India are ideal role model for our country. Government takes several initiatives to support the women entrepreneurs it allocated funds in five year plans. Women have the potential and determination to setup, uphold and supervise their own enterprise in a very systematic manner, appropriate support and encouragement from the society, family, government can make these women entrepreneur a part of mainstream of national economy and they can contribute to the economy progress of India. Government designed many schemes to develop women entrepreneurs but minority of them are not aware about the schemes of the government. In this reason the government needs to take initiative to promote the schemes what schemes are available for women entrepreneurs.

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