

# THREATS AND ISSUES FACED BY WOMEN ENTREPRENEURS IN INDIA – WITH SPECIAL FOCUS ON THE STATE OF RAJASTHAN

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## Abstract

*Women entrepreneurship has seen rapid development in the recent years, yet the hurdles they face are not new. Social, cultural, institutional, economic, technical problems have been existing for years for women entrepreneurs and although progress has been made in this regard, women entrepreneurs continue to be at a disadvantage. The problems faced by women entrepreneurs vary from country to country and state to state. The aim of the study is to find threats and issues that women entrepreneurs in India have to face along with additional challenges that women entrepreneurs from a rural heavy area, in this case Rajasthan, have to face. The investigation tries to give contour to the problems by recognising them independently. It further shines light on problems of low literacy, poor financial capabilities, lack of skills and training and the insufficient government support that women entrepreneurs face. The study also attempts to find out the most significant challenges that women entrepreneurs of Rajasthan must face from the data collected in the pilot research. Additionally, the results are put together to give weight to the analysis and credibility to the secondary data.*

**Keywords:** *women entrepreneurs, threats, challenges, socio-cultural, economic*

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## INTRODUCTION

Women have shown to be clearly equal to men when it comes to capabilities and skills that are deemed essential for being a successful business owner (Carter N., 1997). Women entrepreneurship is not a new thing but has certainly seen an increase globally with the changing socio-cultural environment, and countries everywhere have benefited in business and economically by promoting women entrepreneurs. Women entrepreneurship also is an indicator of a modern and inclusive society. Women become entrepreneurs due to many reasons. Some of them become business owners to earn money to be independent and support their families, some start businesses to fulfil their self-esteem needs of attaining dignity and respect in the society. Entrepreneurship is a competitive sector and the public reputation of a company, and its owner is closely interlinked, especially if the owner is a woman. Business efficiency and skills are therefore of prime importance for a woman entrepreneur.

Nonetheless, women entrepreneurship has seen a meteoric rise in the past two decades with the environment being more supportive than before. Women entrepreneurship development has contributed significantly for income and employment creation, and it has improved socio-economic status of the people everywhere. However, problems persist and have metastasized in societies in different forms. The institutional, social, cultural challenges along with technical problems such as that of a financial and managerial nature have not been easy to face for women entrepreneurs and would be women entrepreneurs.

Rajasthan boasts a big traditional and home-related small scale business sector, one where most women entrepreneurs in India operate in, yet only around 4% women make up the industry, clearly dominated heavily by men. And although change is brewing much is still left unattended.

This paper's main aim is to identify threats and issues women entrepreneurs in India have to face in order be a businesswomen and present direction for future research. Secondly, the paper also focuses on Rajasthan as a variable to understand, compare and identify reasonable threats and issues faced by Rajasthani women as a part of Indian women and threats that they are additionally more susceptible to, if any.

## REVIEW OF LITERATURE

Studies since the emergence of the massive wave of women entrepreneurs show that female entrepreneurship has developed at a moderate rate compared to male entrepreneurship (Renzulli et al., 2000) and results also show that first time women entrepreneurs are mostly involved in home-based or traditional business that are usually smaller in scale and inexpensive to start, which lets her manage family and work roles (Danhauser, 1999; Jurik, 1998). Women are less likely to run business which involves advanced technologies and larger scales (Robinson et al., 2001).

Over the past decades Indian women, with access to better education and awareness have started transforming their roles of household managers to business owners, and business from cottage industry to high-level industry have seen a positive influx of women entrepreneurs (Bharti K., Indira P., 2005). Government has also started focusing on women entrepreneurs as their socio-economic benefits have been realized. Government assistance has been valuable for many, but its implementation has not been satisfactory (G. M. Jaiparkash, 2011). Women entrepreneurs have also had to face societal challenges in India's male dominated society and it's harder for them to start a business than men (P. Verma., 2012) (Y. Sharma, 2012).

Situation in Rajasthan has been even more challenging with a large rural population, women entrepreneurs from rural areas have had to adopt different strategies to overcome their lack of marketing skills and they have also had it harder to get help from financial institutions (Mulkikar. N. Jeetendra, 2012) (K. Vijay, 2014).

Yadav, V. and Unni, J. (2016), have further analysed the evolution of women entrepreneurship from the past century till now to understand the discourse around women entrepreneurs and highlighting the areas that needs more research. In addition, S. Chandrashekhar & Ojha et al., (2021) analysed the various economic, educational, and political challenges women entrepreneurs must face and the study further suggests ways to overcome these problems, it also analyses the cultural problems women face due to caste system in religions. Global Entrepreneurship Monitor's report on women entrepreneurship (2021) also helps in studying the current state of women entrepreneurship in a quantitative form.

## OBJECTIVES OF THE STUDY

- To analyse the major threats and issues women entrepreneurs face in India
- To analyse national problems apropos to problems of Rajasthani women entrepreneurs to find primary evidence for national problems as well as additional problems women from majority rural area (in this case Rajasthan) face because of cultural differences.

## RESEARCH METHODOLOGY

### PILOT RESEARCH:

This study was completed using convenience sampling along with stratified sampling method for primary data. The data was collected through a questionnaire survey from 80 women entrepreneurs from the state of Rajasthan.

### SECONDARY RESEARCH:

Secondary data sources were researched and selected based their relevance. They were investigated for identification of problems women entrepreneurs in face, in reference to India and the analysis was presented.

### QUESTIONNAIRE SURVEY DESIGN:

Questionnaire was constructed in Linkert's five-point scale ranking from Strongly Agree - 1, Agree - 2, Indifferent - 3, Disagree - 4, Strongly Disagree - 5 to identify which problems and challenges the women entrepreneurs from Rajasthan commonly faced. The questions were later divided into 4 sets under the sections- Section 1 - Socio-cultural factors, Section 2 - Institutional factors, Section 3 - Economic factors, Section 4 - External and other factors.

### SAMPLING:

100 respondents were selected for the survey randomly, out of which 83 replied with answers. 80 random responses were selected out of them for the sample size of the research.

**RESULTS AND FINDINGS:**

Responses of women entrepreneurs of Rajasthan to the questionnaire survey are recorded in the table below:

<b>TABLE: 1</b>						
Question Number	Questions	Strongly Agree	Agree	Indifferent	Disagree	Strongly Disagree
<b>Section 1 – SOCIO-CULTURAL FACTORS:</b>						
1.	Was the support received from your friends and family appropriate?	8	13	24	19	16
2.	Do you think the cultural and social environment was conducive when you started your business?	11	13	21	15	20
3.	Were family disturbances a hindrance to your duties as the owner of a business?	16	21	18	13	12
4.	Did you feel that the business environment is hostile or risky to women?	<b>18</b>	<b>23</b>	16	13	10
<b>Section 2 – INSTITUTIONAL FACTORS:</b>						
5.	Was your experience and knowledge thorough enough to help you start and run your business smoothly?	14	19	19	15	13
6.	Did you have suitable contacts for help and guidance in the industry?	9	13	17	<b>17</b>	<b>24</b>
7.	When growing out, was it necessary to get experienced members in the company to provide help?	16	18	23	14	9
8.	Do you think it is necessary to get business knowledge from an institution before starting a business?	<b>23</b>	<b>19</b>	14	13	11
9.	Was lack of vocational training a challenge for you?	15	21	20	14	10
10.	Was employee co-operation and co-ordination a challenge for you?	<b>24</b>	<b>18</b>	14	11	13
11.	Do you think your business planning was up to par with that of other businesses?	12	20	23	14	11
<b>Section 3 – ECONOMIC FACTORS:</b>						
12.	Did you receive appropriate financial assistance from the government through schemes, initiatives etc.?	4	9	14	<b>16</b>	<b>27</b>
13.	Was fixing costs of your production/services a challenge?	21	18	17	13	11
14.	Was acquiring capital for starting/running the business a challenge?	<b>25</b>	<b>19</b>	11	15	10
15.	Were the business creditors forbearing?	12	15	14	18	21
16.	Was untimely payment from clients/customer a problem for the business?	17	21	15	15	12
<b>Section 4 – EXTERNAL AND OTHER FACTORS:</b>						
17.	Was the protection provided by government against stiff competition appropriate?	11	19	16	16	18
18.	Were heavy state and central taxes a problem?	<b>27</b>	<b>21</b>	11	12	9
19.	Was finding a suitable location for business a challenge?	<b>19</b>	<b>23</b>	11	14	13
20.	Did the business suffer from having irresponsible/careless partner(s)?	<b>25</b>	<b>18</b>	14	16	7

**Table 1 shows the frequency number of responses of 80 women entrepreneurs from Rajasthan on the Linkert scale to the questions.**

The quantitative data shows primary evidence of problems that women entrepreneurs in Rajasthan have to face. Responses to section 1 indicate strongly indicate that most women entrepreneurs have to work in a hostile and inconducive environment and although many women are indifferent to the level of support, they received most still think that family disturbances are a hindrance. Observation of responses in section 2 indicate lack of training and formal education are seen as big disadvantages by most women entrepreneurs and this also results in problems in managing the employees as, strongly agreed to by a majority of respondents. Responses in section 3 points towards a difficult capital acquirement process and other financial problems presented by creditors to which majority of entrepreneurs agree. The responses in the last section indicate major problems of taxes, finding a suitable location for operation and problems created by incompetent partners.

#### DATA ANALYSIS:

Both primary and secondary data sources are used in this study, Microsoft Excel was used to process the questionnaire results.

Women entrepreneurs face various threats and issues in India which are discussed here along with some relevant results from the questionnaire survey of women entrepreneurs from Rajasthan which support the secondary analysis.

- **Dual Roles** – Women entrepreneurs often have to play a dual role, that of a household manager and that of a business manager. Women, especially from traditional families, are often expected to take care of the children and other family members, something not expected equally of their counterparts. This juggle of responsibilities often restrains women entrepreneurs to give time to their business enterprise that it deserves.  
Similarly in the survey, on **question 1** the responses indicate that most women entrepreneurs did not get enough support from friends and family members while responses to **question 13** indicate that family disturbances are often hindrances to the role of women as business owners.
- **Government aid and support** – Women entrepreneurs, especially small business owners often face threats from stiff competition and are often lacking relief provided by government schemes. They need protection, legal as well as political and aid in order to establish their business on a strong foundation. But, as often witnessed, even when there are schemes and initiatives from government, their benefits are often not received by small businesses that most require them. Majority of businesses owned by women are smaller businesses and they remain the most vulnerable.  
From the survey, responses from **question 12** and **question 17** indicate that majority of women entrepreneurs did not receive appropriate benefits from government aid schemes and many women entrepreneurs did not get appropriate protection through government policies.
- **Capital and funding** – Acquiring funds for business operations are the single most important step that is required for smooth-sailing. Women entrepreneurs are less likely to have property they can use as security for securing capital and the institutions are also prejudiced against them when it comes to their ability to pay back creditors. Due to less experience and fewer contacts women entrepreneurs in India are less likely to secure big loans for business operations, they have to rely more in personal and family savings to get the enterprise running (Pareek, Purvi, et al., 2018).  
The responses to **question 14** and **question 15** show that acquiring funds for business is a tough ask for women entrepreneurs in Rajasthan and that creditors are not as lenient as they are to their male counterparts.
- **Lack of skills** -India has a large population of women who haven't received proper education or have not studied enough due to familial pressures. Many who are educated leave their jobs to focus on the household and therefore get no significant experiences. These women generally have low confidence when it comes to starting and running a business and therefore do not contemplate starting one, and even if they do, they have a hard time making it function smoothly.  
From the responses to survey **question 5** we can see that women entrepreneur in Rajasthan all have different education and although many consider their experience and knowledge enough there are almost the same number who feel they were inexperienced. The responses to **question 8** however make it clear that the majority of respondents have the opinion that formal business knowledge is necessary for an entrepreneur.

- **Production supply issues** - Women entrepreneurs have to face many challenges in order to source raw material and other materials and machinery required for production. High prices and complex licensing and registration procedures and little to no support from financial institutions and services all add up to issues of material acquirement (Vinze., 1987). These issues are also exacerbated with logistics and transportation issues, which, especially if interstate transportation is included, present a complex web of state and central government rules that need to be navigated.
- **Lack of training** – Women entrepreneurs in India often are first time business owners and have less to no formal and vocational training, even if they are educated in business. This lack of training becomes an issue when they have to do perform their duties of co-ordination and co-operation. The business also suffers, and the women face difficulties identifying problems and their solutions when they are not equipped with required insight.  
The responses to **question 9** and **question 10** shows that most women entrepreneurs from Rajasthan agreed that they did face problems in managing the employees and handling the communication.
- **Socio-cultural factors** – Women in India are expected to hold traditional roles of managing households, even when they work jobs, they are still expected to bear the major responsibilities in the household after marriage. India has a patriarchal society, and these beliefs are deeply ingrained in the country's culture, and breaking these gendered norms are not easy for women, more so when they have also been rendered financially weak than their male counterparts because of these beliefs.  
In the survey, responses to **question 2** and **question 4** indicate that most of the women entrepreneurs in Rajasthan do not find themselves in an environment which is supportive and conducive.
- **External factors** – Starting and running a positive business is not easy in India, especially with government overreach, heavy taxes, finding a business location, logistics et cetera. Businesses have to pay heavy state and central taxes and the small businesses sector, where a majority of women entrepreneurs work, often have to suffer and even take extra debt when starting out, which is another issue in and of itself. Another major problem is to find a suitable place for business, the government makes Special Economic Zones (SEZs) for business, but those zones are far away and/or made for bigger businesses. Another problem women entrepreneurs face is transportation and logistics of materials to and from the business, as these are costly affairs and without contacts and experience, keeping them under control is often an issue with new business owners.  
From the questionnaire survey, responses to **question 18** and **question 19** indicate that many women entrepreneurs in Rajasthan faced problems in locating a place for business and due to heavy taxes paid to the state and union.

**Women entrepreneurship report** – Women entrepreneurship in India has seen various trends in the past years. Overall total early-stage entrepreneurial activity (TEA) has increased in India, but it has not been consistent, and it even fell from 8.7% in 2018 to 2.6% in 2020. The pandemic also heavily impacted business in India with 67.2% women entrepreneurs attributing their business closure to it. The women to men ratio for TEA also haven't improved and is still around 0.3 which is among the largest (with Italy) in all the countries included in the Global Entrepreneurship Monitor's report on women entrepreneurship. The information technology sector is also avoided of women entrepreneurial movement as no total early-stage entrepreneurial activity was reported. More work is needed to be undertaken by the government to promote women entrepreneurial activity in the high technology sector and the services sector.

In the wholesale and retail sector however, 10-20% more women entrepreneurial activity was reported which is a positive sign but also signifies the problem of majority of women entrepreneurs being small business owners. The report also highlighted the problem of education where it reports that around 78% of women entrepreneurs have only a secondary degree. (GEM 2020/21 Women's Entrepreneurship Report – Thriving through crisis)

**In the context of Rajasthan** – In above affirmed analysis problems faced by women entrepreneurs in India were laid out along with relevant results from the questionnaire survey study on Rajasthan's women entrepreneurs. Rajasthan has a vast rural area, and many small home-related businesswomen entrepreneurs in the state are from rural areas. The women entrepreneurs from Rajasthan not only face difficulties that are applicable pan-India, but they also have more disadvantages than women that are from an urban area.

Women entrepreneurs from Rajasthan face problems of sex-bias and a poor support system and this gives harms the business, and the entrepreneur mentally (**Questions 1, 2, 3, 4**). Another issue that comes attached to rural areas is the problem of illiteracy and inexperience. Lack of skill and experience brings problems that were already discussed before, in Rajasthan women entrepreneur's case these problems also mean that women are not aware of the latest technological advances nor are they aware of how advertising and marketing works. There's also the problem related to government schemes and aid where the women entrepreneurs who require assistance are not aware of the schemes or are not equipped to enrol for them (**Questions 12, 17, 14**).

Other than the prevalent problems of India's women entrepreneurs, the Rajasthani women has to face even more obstacles to become entrepreneurs, and resultantly, they are less likely to even contemplate about owning a business. Rajasthan, even with a prominent rural population does not even make it in to the top ten states which have women entrepreneurs in small scale industries (Development Commissioner (MSME) 2017) despite having one of the largest small scale business industries.

### **CONCLUSION:**

Investigation of the primary and secondary sources have led to the identification of some major problems that the women entrepreneurs in India must face in their quest of being a business owner. Socio-cultural, economic, institutional, and overlapping problems were identified, and the questionnaire also provided primary evidence for support. Women entrepreneurs in India are at a disadvantage because of low literacy rate, poor financial condition, societal pressures and expectations and a general noxious environment that is prevalent in many areas if not everywhere. Government intervention and help is also questionable, the state and union have numerous policies but are reduced to mere bystanders. Majority women business owners are still in the small-scale industry and therefore need protection and reliefs from government to reach them in order to stabilize their businesses and grow. Additionally, most new women entrepreneurs are inexperienced and have limited necessary skills to face stiff competition and run the business smoothly.

Furthermore, the investigation also put special focus on the women entrepreneurs of Rajasthan, who according to the results of our questionnaire survey and secondary analysis are at an even more disadvantaged position to other entrepreneurs, signifying the effects of being in rural environments. Barring the obvious urban areas, Rajasthan has a vast rural area where most of the women entrepreneurs come from, and these areas, due to their traditional social culture present additional barriers to these women entrepreneurs. Women entrepreneurs from Rajasthan are more likely to be less educated, financially weak and burdened with familial responsibilities. They are also like to be more discouraged than an average Indian women entrepreneur.

### **IMPLICATIONS:**

From the discussion it is clear that women entrepreneurs in India are still not empowered enough compared to their male counterparts. Necessary steps are needed to be taken to uplift women entrepreneurs in the country and to open new horizons for bigger businesses to benefit from the economic development it brings and from employment creation, which is clearly a necessity in India. Then government has to work on grassroot level to raise awareness and hold training workshops to teach women specially in rural areas on how to properly monetize and convert their vocation into successful businesses. Specially made policies for women owned business and tax reliefs are also much needed. Additionally, the government has to work with the people to a modernized and progressive socio-cultural environment that works an important support structure for the businesswomen. More authoritative research is also much needed for studying the development of women entrepreneurship and produce more problem identifying studies which can help in combating problems in this domain, the same has also been put forward by Yadav., V., et al. (2016).

Notwithstanding the above things have been progressing much more rapidly in the recent years with more women entrepreneurs entering the high technology sectors, led by women owned/founded companies such as Byju's, Nykaa, Mobikwik et cetera. Government aid schemes such as Bhartiya Mahila Bank Business Loan and Dena Shakti Scheme have also opened new paths for would be women entrepreneurs and things are advancing on the right path (Indian Brand Equity Foundation, 2022).

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