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## Full Length Research Article

### MAJOR PROBLEMS OF WOMEN MICRO ENTREPRENEURS IN INDIA-A STUDY OF KERALA

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#### ABSTRACT

The micro enterprise and small business has always played a significant role in the economic development of a Country. Its role might not have been as spectacular as that of the large corporation involving the deployment of enormous physical, financial and human resources. However, the collective impact of the multitude of micro enterprises has been tremendous, particularly in the area of job creation. The focus on the contribution of women in direct productive work was first brought out in 1970 by Ester Boserup in his book *Women's Role in Economic Development*. An increase in entrepreneurial activity is playing a major role in this development. It is believed that the existing latent entrepreneurial talents, if properly harnessed, could develop in fostering the phase of socio economic development, balance regional growth, wealth creation, employment generation, local economic development and poverty reduction. Income generating activities are not merely viewed as a tool for economic needs of women. It is equally a powerful instrument to enable women to determine their own lives. Women are culturally well equipped to run their business due to skill developed through managing households, raising children etc. Therefore, shift from family management to enterprise management may be easier than a shift from paid employment to self-employment. Despite various problems more and more women are entering into the field of entrepreneurship. Problems are found to be prevalent irrespective of the strata of the Entrepreneurs. The entrepreneurs do not feel many of the problems. But some of them are really acting as barrier for growth and development. Ignorance on the part of entrepreneurs and banks is found to be a major reason for errors. If the intention of entrepreneur and willingness of the banker are properly communicated, the ill effects of ignorance could be avoided.

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#### INTRODUCTION

The micro enterprise and small business has always played a significant role in the economic development of a Country. Its role might not have been as spectacular as that of the large corporation involving the deployment of enormous physical, financial and human resources. However, the collective impact of the multitude of micro enterprises has been tremendous, particularly in the area of job creation. The potential of micro entrepreneurship to harness the talents and capabilities, and energies of people, and create a vibrant economy is increasingly being recognized in developing countries. In India the transformational power of entrepreneurship was well recognized at the advent of independence, when several small industries' programme was initiated. During the last few decades, interest in promoting entrepreneurship has been revived with the establishment of

research and academic institutes and programme and activities. Although the success of these initiatives depends on their effective implementation, the probability of success is greatly enhanced by the current impetus generated by India's economic. The initiatives to promote and support entrepreneurship are necessary and laudable. But one cannot ignore the fact that power inherent in entrepreneurship, much like double edged sword, can cut both sides – it can unleash positive as well as negative effects. For this purpose it briefly examines the nature of entrepreneurship, their parental trait, the external factors that facilitate entrepreneurship and the strategies adopted by Government for entrepreneurship promotion. The major problems faced by micro entrepreneurs with special emphasis to credit related issues are also analyzed.

#### The nature of Entrepreneurship

Over the centuries, the notion of 'entrepreneur' and 'entrepreneurship' has been used in various senses.

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Conventionally, entrepreneurship has been considered as an inborn trait of the individual. In the Middle Ages entrepreneur was a 'person who was active and got things done'. In the 16th Century it describes those who risked their lives and fortunes in Wars. In 17th and 18th century it denotes those who risked their wealth in a business enterprise or financial contracts. Although the last definition reflects the notion of entrepreneur and entrepreneurship, as we understand today, it doesn't capture its characteristics. It does not provide an answer to questions such as: What does an entrepreneur do? What qualities and attributes make an entrepreneur effective? This view of entrepreneurship has induced academicians to focus on studies of business communities. Post independence India witnessed rapid changes in the Industrial environment. Similar communities such as Sikhs, Sindhis, Parsis, Christians etc emerged subsequently and have gained substantial economic power in a relatively short span of time.

The emergence of new generation entrepreneurs as part of poverty reduction programme in the later half of 1970's lead to rapid changes in the thinking of entrepreneurship development. The different models of entrepreneurship development assumed that, with a given level of aptitude and training, any individual could be gradually brought in to the stream of entrepreneurship. This thinking forced us to examine the major problems that prevents the entrepreneurs from making ahead way. The relationship between entrepreneurship development and economic development also compels us for such an examination. Identification of major problems and rectification will surely lead to economic development of the country. Several barriers and constraints, viz. cultural, educational, technological, financial and legal lie in the way of women entrepreneurs throughout the world. In some parts of the globe, women are prevented by social customs from leaving their house and going to market. In other parts, women may be facing problems, such as lack of transport and storage facilities, market information, etc. and are also exploited by middlemen, due to poor bargaining power. It is often found that enterprises started by women and men alike mostly experience financial problems at the nascent stage of the enterprise. Thereafter, crucial problems are increasingly seen in connection with general management, marketing and delegation of the responsibilities.

Further, for a female business owner, the process of starting and operating a new enterprise can be difficult, because they often lack the skills, education and support systems that can expedite their business pursuits. They also face barriers in banking, legal aspects, political contacts, customs tariffs, bureaucracy and extortion. In India, men who control operations and decision-making in fact run many of the enterprises defined as being run by women in their names. Programmes for encouraging entrepreneurship among women are doomed to fail or at best to succeed partially when taken up in isolation. In addition to training, availability of finance and other facilities like land, industrial plots and sheds is often a constraint that many women-owned businesses face. Funding is not easily available for activities primarily pursued and this is mainly because the banks and money lenders are reluctant to advance cash due to the risk involved in these businesses and also due to the high operational costs. Another area in which women face hurdles is marketing. By and large, the problems faced by women entrepreneurs in Kerala are not

different from those faced by their counterparts in the rest of the country. Familial, social, and psychological factors often pose insurmountable obstacles for women even when credit, capital and skills are made available to them. When women become entrepreneurs, they encounter several problems which are faced by entrepreneurs in general, viz. financial, manufacturing, labour, marketing, raining and personal. Successful women entrepreneurs consider their problems as a step to success and innovation and they take them as a challenge and face it boldly, instead of running away from it. Some of them are not able to withstand the problems, due to lack of family support, poor financial position, etc.

**Table 1. Type of Problems of the Women Entrepreneurs**

Types of problem	Rank
Financial problems	1
Production problems	3
Labour problems	4
Marketing problems	2
Personal problems	5
Training problems	6

### Nature of Financial Problems

The study reveals that 36 per cent of the respondents in Kerala are facing different financial problems. In order to identify the nature of financial problems, the respondents who face such problems were asked to report their nature. Their responses as to the nature are given in Table 2.

**Table 2. Nature of Financial Problems of the Women Entrepreneurs**

Nature of financial problems	Rank
Problem of liquidity	1
Lack of fixed capital	5
Non availability of credit	3
High cost of capital Fear of taking more loan	4
Inadequate credit	6

Table 2 reveals that the basic financial problems of the women entrepreneurs Most of them have the problem of liquidity, the second problem, as perceived by the respondents are inadequate credit.

**Table 3. Reasons for the Women Entrepreneurs not Getting Adequate Credit from the Financial Institutions**

Reason for inadequate credit	Rank
Lack of collateral security	1
Poor loan proposal	6
Gender Discrimination	2
Poor financial position	3
High margin money	7
Rigid bank staff	5
Lack of personal guarantee	8
Strict terms and conditions	4

### Steps Taken to Solve Financial Problems

An institution cannot survive, if its financial problems are not being properly addressed. Women entrepreneurs are also taking different steps to solve their financial problem. Table 4 shows the steps taken to solve financial problems of the women entrepreneurs

**Table 4. Steps taken to solve financial Problems by the Women Entrepreneurs**

Steps taken	Number	Percentage
Borrowing from money lenders	4	5
Sale of property/valuables	16	21
Pledging of jewellery	20	27
Borrowing from friends/relatives	10	13
Utilising personal savings	50	67
Total	75	100

**Table 7. Nature of Labour Problems of the Women Entrepreneurs**

Nature of labour problems	Ranks
High labour cost	5
High labour turn-over	2
High labour absenteeism	1
Attitude of employees/workers	3
Absence of trained staff	4
Trade union problems	6
Low productivity	8
Inadequate protection of labour law to employers	7

### Nature of Production Problems

The study reveals that most of the women entrepreneurs are facing production problems. The respondents in the manufacturing sector are facing a lot of production problems in running their units. They have been asked to rank the problems normally encountered during production.

**Table 5. Nature of Production Problems of the Women Entrepreneurs**

Nature of production problems	Rank
High cost of production	1
Problem of raw materials	2
Lack of skilled production staff	4
Frequent power failure	8
Opposition due to pollution	3
Lack of technical know-how	5
Difficulty in disposing of wastage	6
Bribe to get licenses development facilities	10

Table 5 reveals that high production cost is the main production problem faced by the women entrepreneurs. It is also observed that high cost of inputs is the main reason for high cost of production, which reduces the margin of some of the women entrepreneurs considerably. The next important problem, as perceived by the respondents of Kerala, is of raw materials. The non-availability and seasonal nature of raw materials create problems to women entrepreneurs in Kerala. Frequent power failure is also cited as the reason for loss of production time, loss of revenue, increased expenditure, abnormal idle time, etc

**Table 6. Steps taken to Solve Production Problems by the Women Entrepreneurs**

Steps taken	Rank
Purchase of high quality materials	4
Vendor data base	3
Entering forward contract	7
Importing cheap labour	1
Issuing tenders	9
Purchase of modern machinery	6
Usage of captive power generator	8
Proper disposal of wastage, waste treatment plant,	10
Quality control	2
Research and development	5

### Nature of Labour Problems

The women entrepreneurs in are facing several labour problems. In the case of women entrepreneurs who are in the manufacturing sector, labour problem is more severe and loss. Table 7 shows that high labour absenteeism is the major labour problem faced by the women entrepreneurs in Kerala which according to them, leads to considerable loss of production time and inability to meet the orders in time.

### Steps Taken to Solve Labour Problems

To ensure free flow of production, the co-operation of employees is required. 22 per cent of the women entrepreneurs in Kerala take steps to solve their labour problems. Some of the usual steps taken by women entrepreneurs in Kerala are given in table 8.

**Table 8. Steps Taken to Solve Labour Problems by the Women Entrepreneurs**

Steps taken	Ranks
Executing labour contracts	7
Attractive fringe benefits /gifts to reduce labour absenteeism	6
Banning the formation of trade union in the concern	5
Punishment for default	4
Providing training to workers	1
Incentives for increased production with minimum wastage	2
Conducting time/work study/waste management	3

### Nature of Marketing Problems

Women are generally weak at marketing their products and finding customers. Producers are dependent on middlemen for marketing their produce outside their local area. This reduces the community's earnings even though their products are of very good quality. The rich have financial capital for promoting their enterprise; the poor need to promote social solidarity and social capital. Women are seldom allowed to go out of the house to sell their products to the public. So the skilled women workers are discouraged from making use of their creative and entrepreneurial skills. From the study, it is observed that 69 per cent of the women entrepreneurs in Kerala face marketing problems.

**Table 9. Nature of marketing problems**

Nature of marketing problems	Rank
Storage problem	5
Transportation problem	9
Exploitation of middlemen	7
Problem of credit sales	3
Problem of demand	1
Rivalry from competitors	2
Problem of access to market	6
Advertisement problem	10
High marketing costs	11
Lack of market information	12
Poor bargaining power	13
Poor ability to fix the price	15
Harassment by Government officials	4
Unhealthy competitors	8
Bribe	14

### Steps Taken to Solve Marketing Problems

Women entrepreneurs should know the marketing technique to succeed in the business. 15 per cent of the women

entrepreneurs in Kerala adopt various steps to solve their marketing problems.

**Table 10. Steps Taken to Solve Marketing Problems**

Step taken	Rank
Product differentiation	1
Product diversification	2
Innovative advertisement	6
New salesmanship	3
Participating in trade fairs/ exhibitions	4
Adoption of own storage facility	5
Own transportation	7

### Nature of Personal Problems

It is revealed from the study that 36 per cent in Kerala face personal problems. Since women entrepreneurs have dual responsibilities, almost all the women entrepreneurs' face a lot of personal problems in starting and running their units. They have been asked to rank the personal problems normally face shows that 'family responsibilities' is the basic personal problem of the women entrepreneurs in Kerala. The next important problem, as perceived by the respondents are 'limited time to take up dual role'. While the women entrepreneurs in Kerala face the problem of sexual harassment, which is ranked as third.

**Table 11. Nature of Personal Problems of the Women Entrepreneurs**

Nature of personal problem	Rank
Limited time to take up dual role	2
Family responsibilities	1
Opposition from the family	7
Lack of experience	4
Sexual harassment	3
Fear of taking risk	5
Health problems	8
Lack of public contacts	9
Social customs	6
Restricted mobility	10
Ego clash	11

### Nature of Training Problems

It is observed that six per cent of the women entrepreneurs in Kerala face training problems. The entrepreneurs in Kerala have been asked to state the nature of training problems faced.

**Table 12. Nature of Training Problems**

Nature of training problems	Ranks
Lack of time to attend the training	30
Huge training cost	20
Not properly organized	12
Long distance to the training centers	13
Total	75

### Conclusion

The major problem faced by the women entrepreneurs in Kerala is financial. A few women entrepreneurs in Kerala are also facing the problem of training. Further, the nature of financial problems faced, steps taken to solve financial, production and marketing problems are not similar in both the

States. However, there are similarities in the basic reasons for inadequate credit from financial institutions, nature of personal problems and the steps taken to solve personal problems. Lack of collateral security is the main reason for women entrepreneurs in Kerala and they are not getting adequate credit from financial institutions. Most of the women entrepreneurs in Kerala face the problems of high production cost, high labour absenteeism and demand problem. The major steps taken to solve production and labour problems by the women entrepreneurs in Kerala are importing of cheap labour and giving incentives to workers. In Kerala, the major step taken to solve the marketing problem is the product differentiation. Relying on servants/parents is the first step taken by the women entrepreneurs in Kerala to solve the problems. The training problems faced by the women entrepreneurs in Kerala are lack of time to attend the training, huge training cost and long distance to the training centers.

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