

**Women Entrepreneurs in India: Problems and Perspectives with regards to
Microfinance Credit in Mumbai Suburbs**

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Abstract

Microfinance in India has seen tremendous success for the past twenty years. The Self-Help Groups which are also called as SHG have found an important place in new micro-financial management activities. Hence there is a need for analyzing the problems faced by the SHG members for availing the micro finance loan in India. Women are working in different sectors, right from traditional agro-based society to modern money making business in primary and tertiary fields. However, the main issue is that in such a traditional society women lack support and cooperation of their family members and the society. Stiff competition from the male counterparts and other established segments in the society lead women entrepreneurs to face hurdles in their venture. The present paper focuses on these challenges and recommendations in solving those. The Results showed that the lack of proper guidance is the first and foremost problem faced by the sample SHG members. The formalities for getting the loan has been secured as second rank followed by Difficulty to approach the authorities for getting loan is the third important problem. Further, the research shows that the problems differ among various categories of respondents. Hence, it is suggested that the government and NGOs should take necessary steps for providing proper guidance to the SHG members.

Keywords: *Micro finance, challenges, women entrepreneurs, competition*

INTRODUCTION

In Gujrat, Self-Employed Women's Association (SEWA), was first in India to take initiative to introduction of micro finance, which established SEWA Bank in 1974. Those who want to grow the business in the plural area, this Bank provides financial Service to those individuals. Poverty Eradication Mission 1998 was one of the successful initiatives taken by this bank in Kudumbashree, in Kerala state. The

women from both urban and rural areas come together to fight for their rights and to help empower themselves, through the community organisation of Neighbourhood Group (NHG) which was led by all females. In this Neighbourhood Group all the women's work in various issues like agriculture, health and nutrition. They can give micro credit while working in the scheme by collecting some income. So the underprivileged area is promoted by some of this small skill initiative taken to build financial independence.

In India to cater to the large population in rural areas it is very much needed to provide microfinance facilities. In India the main objective of microfinance is to promote social and economic development at the Grass root level by community based approach, increase in income of households and empowerment of women.

Although we say that women are moving ahead in every occupation, the entrepreneur world is still dominated by the male counterparts. In most of the developed countries of the world, women operated enterprises are increasing rapidly. However, this is not yet the phenomenon in developing countries like India. Flourishing activities of women in business would also enable economic wellbeing of the nation.

Education industry has opened up wide opportunities to women entrepreneurs, but the required societal changes are not consistent to provide the growth platform to the women entrepreneurs. The challenges which are faced by women entrepreneurs in the present day are lack of cooperation and support and Cutthroat competition from their rivals.

REVIEW OF LITERATURE

Dr.Valsamma Antony (2007) mentioned that, the male domination and other prejudices attached to women in Indian society are yet to be challenged. Educating them in the nuances of business and managerial skills is very much necessary. Liberal finance by the organizations and other support systems, particularly by the Government, should be given to them. Success stories of other women entrepreneurs also would help them motivate. Anyway, it is high time that women step into the mainstream towards the overall economic and social development of our country.

K. Sundar, J. Gopu, Syfil Ali (2001) recommended that women entrepreneurs from different fields have the potential and can establish enterprises of their own. What they need is encouragement and support from the family members, especially their spouse as well as Government and the society. Without their support, the growth of their ventures would not be possible.

Arunthathi Chaltopadhya (2005) emphasized that economic empowerment is elevating the status of women in our society. One possible goal towards achieving this end could be through entrepreneurship development.

K. Lavanya Latha (2006) suggested that for the success of women entrepreneurs it is important to give timely financial support, hard work, self-determination, self-confidence and personality traits.

Nagayya (2000) in his article entitled “Micro-finance for Self Help Groups” stated that the fast emerging tool for promotion of income generation in enterprises is providing credits applied to the poor by informal arrangement through Self Help Group. The author has also reviewed the initiative which is taken at National level with the view of institutional arrangement to support this program for poverty eradication among the poor with main focus on women.

OBJECTIVES

1. To identify issues related to lack of cooperation and support and cutthroat competition faced by women entrepreneurs.
2. To assess the various problems which are faced by sample women beneficiaries on availing the microfinance loan.
3. To find out the measures to overcome these crises.

SCOPE

The research is dealing with women SHGs and problems associated with micro-finance in Mumbai Suburban Area. It includes an analysis of socio economic conditions of SHG, motivational factors for joining the SHG, problems in getting the micro finance loan in the study area on the basis of the opinions of SHG members which were collected through interview schedules. The present study does not cover the men SHGs in the study area.

DATA AND METHODOLOGY ADOPTED FOR THE STUDY

Both primary and secondary sources of data are chosen for the study. Due to lack of access to study the women entrepreneurs in the field, it was decided to interview them and collect primary information with the help of google form. With this regard, a total of 32 women entrepreneurs from the entire field were chosen as the sample for the present research study. Thus, telephonic interviews of women entrepreneurs engaged in different activities were taken and forms were circulated through whatsapp messenger (in several cases their children and other family members had to help fill the form due to language issues). The secondary data was collected from published sources such as search engines, online study forums, research journals and magazines (both academic and non-academic). The conclusion from the interviews was drawn to fulfill the objectives of the study.

INTERVIEW FINDINGS:

After the telephonic interviews with the women entrepreneurs in Mumbai city, it is found that majority of them are entering into the profession and are the part of Self-Help Group because of few important reasons such as improving their social and economic status, promoting saving habits, obtaining financial support for starting up of the enterprises, initiating group activities, having financial independence, lack of permanent jobs for husband, motivation by NGOs, families and friends. Particularly, women entrepreneurs have the basic problems when it comes to getting microfinance loans. Most common among them are difficulty faced while approaching the authorities for sectioning the loan, improper guidance by authorities, less awareness of loan schemes and institutions, tough form filling task, delay in sanctioning of loans, lack of cooperation among the members and authorities expecting commission. Apart from these basic problems, the women entrepreneurs also faced the main issues with following two core problems -

LACK OF SUPPORT

The main hurdle, which the women entrepreneurs face, is that she is not able to step out of the house to establish her career. The confidence to do so is completely lacking. Usually women are not able to manage their personal and professional lives together (46 percent of the respondents opined this). Doing justice to their business venture and at the same time managing the family is not very easy for the women

entrepreneurs. At times she feels pressured and in such a situation she gives up on her ventures, leaving them incomplete.

Another root cause of the situation is lack of support from the family members. It was mentioned by 63 percent of the respondents that only if the women entrepreneurs find adequate support from her family in terms of moral and financial support, they could make their lives a great success. Moreover, their male counterparts are of the view that why do you need to work when we are earning. It was noted from the interview that nearly 24 percent of the respondents do not have support from their male counterparts. They are suppressed and said that it is better to sit at home and look after the domestic chores and children. With such a situation she is restricted to four walls of houses.

While interviewing the women entrepreneurs, it was mentioned by few of the ladies that the family members, particularly their husband and in case of unmarried women their father, do not allow them to carry on with their ventures as it feel that such type of ventures are not safe for women and there are chances of molestation. Even some husbands, particularly, uneducated, doubt the character of their wives that she might have extra marital affairs because of which she is moving out of the house every day. Nearly 12 percent of the respondents are depressed with these phenomena. These women are in great dilemma as to whether to continue doing the business or not.

If it is a nuclear family then the support of the spouse and the children is very important. On the other the females belonging to a joint family look forward to the support from their in-laws and other family members. In the beginning of the venture everything seems to be bright and all right, but later on the difficulty starts rising up. The working of women in this respect is hindered (50 percent of the respondents found that they are facing great challenges now, venturing their projects).

Many of the times it is also difficult for the women entrepreneurs to find the right contact for supporting their business ventures. These contacts are usually helpful for women in financing and expanding their activities. It has been seen that the urban women are getting the additional support from various agencies such as NGOs, business houses and other organizations who also guide these entrepreneurs throughout their ventures.

CUTTHROAT COMPETITION

The most important challenge, which women entrepreneurs face, is cutthroat competition mostly from the organized sector of the economy as well as from the male entrepreneurs. Around 60 percent of the respondents believed that this problem is being enhanced by inadequate capital to start up with the ventures as well as lack of proper advertising required to sell the products in the market. Some of the women entrepreneurs face situations, where the quality of their product is challenged. Here one important fact lies ignored, that women entrepreneurs are more sincere and serious in their work.

Around 73 percent of respondents opined that stiff competition in the market unleashes women entrepreneurs from displaying their full potential in carrying out business. whatever incentive the government has provided does not allow the women to stand the growing competitive market. In this relation, the Government is helping women entrepreneurs with schemes for retaining and advancing in their respective ventures. This is opined by only 12 percent of the respondents, who are aware of the Governmental schemes.

Thus, nearly 54 percent of the respondents felt that competition, which the women entrepreneur faces, is in the form of product quality, prices of the product, profits, packaging, marketing, advertisement and technological innovations. Sometimes it is even seen that the competitors may be involved with bulk production and thus may receive concessions and at various levels of production. Not only the prices but also the latest trend in the market can also be adopted by the competing form, leaving the women entrepreneurs behind the market flow.

FINDINGS AND DISCUSSION

As mentioned in the research methodology, the questionnaire was developed by taking relevant inputs from the women actively engaged in SHGs and the functionaries of different support agencies, who are directly or indirectly associated with their groups. However, it was essential to do a reliability test before using the tool with selected samples. The reliability test indicates factor loadings on the respective empowerment variables. The obtained Cronbach Alpha (α) values are 0.82,

0.84, 0.81 and 0.90. The high α values indicate significant factor loadings and thus warrant deeper analysis of the respective variables. It is also evident from Table-1 that the mean value of the ten items of economic empowerment of the respondents range from 2.81 to 4.25. It is pertinent to note that the consistency in Standard Deviation for mean variation implies more variation in the nature of responses. The standard error means are also found to be consistent for all the variables.

Table 1: Reliability Test for Empowerment Variables

Measures	Items	Rang e	Facto rs	Varian ce	Mea n	Std.De v.	Cronba ch Alpha
Economic empowerment	10	1-5	2	69.98	3.85	0.92	0.82
Educational empowerment	10	1-5	3	61.75	4.2	1.0	0.84
Empowerment of SHG members through food health nutrition	7	1-5	2	71.72	3.83	0.83	0.81
Impact of empowerment	10	1-5	2	69.91	3.89	1.0	.90

As per Table 2 the average of the mean values of the respective items under ‘Economic Empowerment’ was close to 3.4. The data analysis reveals that the t values of the respective items under Economic Empowerment Variable are 36.38, 16.50, 2.90, -3.58, 3.37, 16.52, 25.77, 25.77, 24.27 and 1.349. While the t- values of the first nine items are highly significant, the last item is not significant. It implies that the achievement of empowerment is more visible at the group level rather than the individual level. Similar observation was recorded when the researchers engaged with the women members during pilot study. A majority of SHG members expressed an individual feeling or expectation on the need to take up bigger roles beyond SHGs. Their feelings were narrated in their own words: “In the long run we need to look beyond SHGs to take up bigger roles.” They associated such ‘roles’ with higher economic potentials. They also expected greater lending support from banks which was not adequate. It can be inferred that such progressive changes in policies and attitudes may take a longer time, unless adequate initiatives are generated at the SHG level or any other relevant higher level of political or social organizations. The current

scenario may be attributed to the prevailing conservative socio-cultural customs, gender discrimination, and an interdependence among members in the group and the society at large.

Items	Mean	SD	Standard Error	T Value	Sig (2 Tailed)
I could take better decisions for the financial problems after joining SHG	4.24	0.9	0.034	36.38	0.000
I could clear off my personal debts after joining SHG.	3.65	1.04	0.037	16.5	0.000
The monthly incomes of individual members are showing an upward trend.	3.11	1.05	0.039	2.9	0.004
The progress of the SHG has also improved the individual economic condition and financial position in terms of net assets.	2.82	1.31	0.049	3.58	0.000
The liability of the individual members before joining the SHG was heavier.	3.14	1.09	0.041	3.37	0.001
The economic condition of the individual after getting a loan from a bank through SHG improved	3.53	0.86	0.0326	16.52	0.000
The economic improvement of the individual has helped to command more respect for the members	3.91	0.92	0.034	25.75	0.000
I envisage a remarkable growth of my business in the next 3 to 5 years	3.9	0.91	0.035	25.77	0.000
My group needs of further assistance from banks too in future	3.67	0.73	0.027	24.27	0.000
I feel myself self-reliant through my participation in SHG	3.04	0.92	0.034	1.35	0.178

CONCLUSION

From the above discussion it can be concluded that the women entrepreneurs want to reach out in the society making their own significance towards the economy of the nation. It is expected that the barriers here are lack of cooperation and support and stiff competition needs to be overcome. A major finding of the study was that the achievement of women's empowerment was more visible at the group level rather than the individual level. However, most of the SHG members in the study expressed an individual feeling or expectation on the need to take up bigger roles beyond SHGs. The study found that such SHG members associated higher roles with increase in economic potential. Another important finding from the study was that education played a significant impact in determining women empowerment. It was also observed that SHGs play an important role in improving the health and nutritional status of its members and their families. It is pertinent to note that all 7 variables representing empowerment through food and nutrition were consistent throughout with highly significant t values. The present study investigated the various problems faced by the women SHG members and impact of the microfinance loan on empowerment of sample women beneficiaries in the study area. Most of the members are not well educated and they are not familiar with the rules and regulations for availing the banking services. They are in need of proper guidance. The research finding showed that the problems are differing among various categories of respondents. There lies not only the government responsibility to tap the potential of women entrepreneurs, but also the family members of these women entrepreneurs who can help out her in full force. Government needs to see how these women entrepreneurs can organize themselves into a formal organized sector so that they do not face even competition. At the same time it becomes the responsibility of the family members to support these ladies with time and other household chores. Traditional thinking of male dominated society has to be overcome so as to develop a new path for the new women entrepreneurs.

Based on the research finding the following recommendations are made to the authorities who are regulating SHGs.

- The government and NGOs should take necessary steps for providing the proper guidance to needed people to get the microfinance loan.
- The Banks can provide proper assistance for filling the loan application forms.

- Further, the bank formalities should be simplified. The single window system may be introduced for granting microfinance loans to the Self Help Groups.
- The proper training should be given to SHG representatives and animators regarding the bank loan formalities.
- Further, the schemes announced by the government are not reaching the SHG members. Hence, it is necessary to circulate all the new schemes to the rural people through proper monitoring systems and guidance.

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