



## Women and Self-Employment: Opportunities and Challenges

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### ABSTRACT

*Women are playing significant role in self-employment. As such, there is increase in status of self-employed women as they have more social contacts and economic role played by them. There are also barriers for the self-employed women in their enterprises and the paper discussed on the barriers faced by self-employed women in their self-employment.*

### KEYWORDS :

#### Introduction:

The emergence of self-employed women and their contribution to the national economy is quite visible in India. The number of self-employed women and women entrepreneurs has grown over a period of time, especially since 1990s. Women entrepreneurs need to be lauded for their increased utilization of modern technology, increased investments, finding a niche in the export market, creating a sizable employment for others and setting the trend for other women entrepreneurs in the organized sector. While women entrepreneurs have demonstrated their potential, the fact remains that they are capable of contributing much more than what they already are. Self-employed women need to be studied separately for two main reasons. The first reason is that self-employed women have been recognized during the last decade as an important untapped source of economic growth. Self-employed women create new jobs for themselves and others and also by being different. They also provide the society with different solutions to management, organization and business problems as well as to the exploitation of entrepreneurial and employment opportunities. The second reason is that the topic of women in self-employment and entrepreneurship has been largely neglected both in society in general and in the social sciences (Ravi, 2012). Not only have women lower participation rates in entrepreneurship than men but they also generally choose to start and manage firms in different industries than men tend to do. Further, self-employment made women economically independent and consequently, there is increase in their social status in the society.

It is emphasized that self-employment of women can help women's economic independence and improve their social status. The development of self-employed women enables society to understand and appreciate their abilities. It enhances their socio-economic status and leads to integration of women in nation building and socio-economic development. Women's participation in income generating activities is believed to enhance their status and decision making power. The economic contribution of women is related to their status and role in the family and in the society. If a woman is economically a parasite, she can never claim an equal status with man. The problem of poverty cannot be tackled without providing opportunities of productive employment to women.

Women contribute a large share of what they earn to basic family maintenance than men. Increase in women's income translates more directly into better child health, nutrition and family well being. Economic independence of women will lead to social change and prove a necessary weapon for them to fight discrimination. If women are to be economically empowered they are to be provided with alternative forms of informal credit, training, employment, management skills and social security. Of course, education based employment in organized sector is not possible for every women, but self-employment or home based entrepreneurship is more suitable for women.

A woman or a group of women who initiate, organize and operate a business enterprise may be called women entrepreneurs. The Government of India defines woman enterprise as "an enterprise owned and controlled by a woman having a minimum financial interests of 51 percent of the capital and giving at least 51 percent of the employ-

ment generated in the enterprise to women" (Nasi and Khazi, 2007).

According to the Third All-India Census of Small Scale Industries conducted by SIDO in 2001-02, the number of women enterprises was 10,63,721 (10.11%). The number of enterprises actually managed by women was 9,95,141 (9.46%). Currently (2006-07) their estimated number is, 12.99 lakh women managed enterprises and 12.15 lakh actively women managed enterprises (Mathur, 2009).

Women need to be empowered to exercise their judgment. Only those who are empowered can create an enterprise. Women at present are gradually capturing the jobs and services, traditionally believed to be a man's domain. Though women constitute half of India's population, their participation in employment is negligible. In the case of rural women, the employments as well as self-employment are not up to the mark. Rural women lack the motivation to undertake any non-traditional economic activities. They are reared for the traditional roles of being a wife and a mother. Further, she totally lacks any skill and is entirely unfit and is not prepared mentally for anything else.

Entrepreneurship or Self-employment is not new to Indian women, a number of women have been engaged in home based small scale entrepreneurial activities like selling home-made food items, selling home grown vegetables, feeding milk, making butter and ghee by maintaining one or more milk animals. Women are also engaged in goat rearing, poultry farming, money lending, pawn broking, selling textiles in the neighbourhood, etc. The money generated through such home based entrepreneurship helps to augment the family income in a modest way.

Women engaged in self-employment are mostly from lower or lower-middle class and hence, most of them do not have house of their own. They are living mostly in rural areas or slums in urban areas. The aspects of self-employment in which these women are engaged include preparation of fried and bakery items, confectionaries, weavers, tailors, potters, blacksmiths, vegetable sellers, small scale industries, home industries, etc. It is noted that even though they are also working like men, their social status is low and economic status is also low, due to lower income. Most of them are facing problems of finance, competition from others in business, limited income, loans borrowed, etc.

The literature published on self-employed in the context of India suggests self-employed workers mostly as disguised wage workers, working in the informal sector, rather than better off entrepreneurs (Bremar, 1996; Papola, 1981). A very large component of self-employed workers has been a distinct feature of the female work force in India. 'Shrama Shakti', the report of the National Commission on Self-Employed Women and Women in the Informal Sector (Government of India, 1988) provides one of the earliest descriptions of self-employed women in the country. The report suggests that the self-employed are largely small producers and home based workers, who either supply their produce to middlemen through informal contractual arrangements and retailing establishments or have their own small vending businesses. The likelihood of women being self-em-

ployed has also been an area of research. The study by Khandekar (1992) finds that a greater percentage of women than men worked in the unprotected wage sector and a smaller percentage was self-employed compared to men. The study also found that migrants first entered in the unprotected wage sector before they moved to the protected wage sector or self-employment. The study finds the shift to self-employment as an upward shift from informal wage labour. However, empirical evidence on what self-employment really comprises and who constitutes for it is generally limited. Self-employed workers could belong to a range of heterogeneous occupations and thus, not all perspectives see them as positive risk-taking entrepreneurs (Neetha, 2010). It is not easy for the women to succeed in business. They, compared to men, face a number of difficulties and have to overcome a number of barriers, to become successful entrepreneurs. They have to deal with discrimination and withstand the skepticism of society, and also put in more effort than men to prove their credibility. Moreover, a large number of the qualified (engineering, managerial, etc.) women do not take up employment due to family pressures (Bais and Kukkudi, 2007). Marketing poses a major problem both regarding new material and finished goods. To cope with competition in the market, advertising and publicity of the product become indispensable, and that again involves heavy funding. The small enterprises do not know anything about markets; they do not have R & D facilities, know-how for improving design and quality; nor do they know the technicalities of pricing, etc. It has been observed that most of the women entrepreneurs could not continue with their business or trade activity for the want of guidance on consumer demand and market mechanism (Anil Kumar, 2007).

Self-employed women or women entrepreneurs face several risks. Mostly, they are social and technological risks. They face social risk in going out of home and developing relationships related to a new activity. The risk also lies in the village communities and the caste perceptions towards the new activity. Risk is also inherent in dropping the old relationships of economic and social significance. In fact, women who work as labourers face new risks at the time of choosing self-employment. Women in rural areas also face technical risks such as lack of skill, knowledge and information to carry out any independent economic activity. Hence, entrepreneurship development among rural women should first prepare them through motivation training for entrepreneurship (Rajan and Gnana Soundari, 2007). Hence, training is essentially emphasized for the self-employed women. Following are general challenges and barriers faced by self-employed women to manage their enterprise:

#### 1) Self-confidence:

One of the basic requirements for self-employed women is self-confidence. Though women are equally qualified as men, they suffer from certain disadvantages, i.e., lack of confidence in their own abilities and lack of society's support. Socio-economic and cultural inhibitions in our society are the biggest obstacles in women's entrepreneurial development. A study conducted by NIESBUD (1986) had revealed that majority of the women (81%) had indicated problems in the area of managing the workers. Nearly 44 percent of the women felt that they had to fight harder in the entrepreneurial world.

#### 2) Female Literacy Rate:

Low literacy rate has hampered women entrepreneurs in getting themselves adjusted to the technological developments, market trends and so on. Major hurdles in fast growth of women self-employment are lack of awareness and lack of education.

#### 3) Social Barriers:

The traditional structure of the society does not permit unmarried girls especially from the rural areas to get into any kind of job or get themselves self-employed. Resistance, shyness, inhibition, conservatism are some of the cultural and social systems prevailing in the Indian society. It is also noted that women had lack of family support, which is a major discouraging factor.

#### 4) Financial Resources:

Large investments become difficult for women. Lack of access to external funds due to their inability to provide the security is the biggest problem women entrepreneur face in our society. For women from upper middle class households finance might be easier to obtain, those in the lower strata need loans from banks, financial insti-

tutions, or community-based funds. Women find it easier to access funds from a community-run institution, as this also helps them network and get easier access to the market. The fact that most decision makers in the loan departments of the institutions are men does not help much. Financial support as well as financial viability, therefore, is the most important considerations for any business proposition (Kavitha and Ramachandran, 2009).

#### 5) Proper Training:

Adequate training helps to acquire sufficient knowledge to face the problems in the business world. Though, many facilities are provided for training self-employed women, majority of them do not take seriously the training provided.

There are also other barriers such as, lack of information and experience, non-availability of raw material, lack of professional marketing expertise, discrimination against women in granting loans, lack of technical assistance and guidance and overall lack of awareness of the different types of facilities available to them are other hurdles faced by women. Banks and other financial institutions lack faith in women's entrepreneurial abilities.

Self-employment has always predominated over wage employment in rural areas because of the dominance of peasant agriculture. Regular wage employment in rural areas is relatively insignificant and more so for women. Nevertheless, till 1999-2000, there was a consistent decline in the proportion of female self-employed persons in rural areas accompanied by an increasing share of casual labour. This generally reflected the process of small peasant families either supplementing cultivation with casual work or losing their land and becoming casual landless labour.

Self-employed women have proved themselves very successful entrepreneurs by engaging in one or two income generating ventures within the confines of their homes. The opportunity for developing the home based small scale entrepreneurship has grown due to increased level of education among women. There is an urgent need to promote avenues for these women to take up entrepreneurship in the 21st century in order to exploit their talents which, otherwise, go waste. The following measures will help to develop entrepreneurship among women (Bais and Kukkudi, 2007).

- ❖ Motivation of women to become economically independent and take up the challenge of starting their own business.
- ❖ Inculcation of personality traits like determination and strong will power.
- ❖ Awareness and education about policy and programmes.
- ❖ Well equipped training and resource centres to meet the needs of women entrepreneurs.
- ❖ Complete family support.
- ❖ Involvement of all promotional agencies in providing support in the areas of infrastructure, finance, raw materials, marketing and human resource management.
- ❖ Access to saving and credit.

To boost their business, production and marketing, self-employed women need social skills. Social skills are an integral part of social interaction process. The entrepreneur uses this from a wide range of angles in all the stages of firm development, maintenance and performance. The skill sets are inevitable for all the entrepreneurial activities such as raising capital, generating enthusiasm and commitment in others (e.g., employees, partners, customers), communicating effectively with people from a wide range of backgrounds, selecting effective partners and employees, developing networks and relationships, establishing trust and legitimacy (Aldrich and Fiol, 1994), and negotiating with others over diverse issues (Baron and Markman, 2000).

Social skills are needed to develop entrepreneurial networks, and an entrepreneur's social competence can never be neglected, whether they are built in or acquired. These aspects are always related to the success or failure of an entrepreneurial venture. Social competence has been found to be imperative in the early phase of venture creation when investors have to be persuaded to provide capital. It is also found that cooperation may be augmented when the entrepreneur and venture capitalist share a positive social or business relationship (Cable and Shane, 1997).

**Concluding Remarks:**

From the above discussion, it is clear that though there are many challenges and opportunities for self-employed women in their occupations, still there are many opportunities for these women even to provide employment to other women in their occupations. Further, self-employed women not only develop themselves, but also develop others by imparting necessary skills and even support the economically. In this way, it is essential to encourage self-employment among women by providing loans, subsidies, needed resources like land, etc. Further, it is essential to open training centres for self-employed women or aspirants of self-employment, so that they can learn new skills and open their own enterprises.

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