

Financial Barriers of Small and Micro Enterprises Owned by Women Entrepreneurs in Northern India

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This paper examines the financial barriers of small and micro enterprises owned by women entrepreneurs in Northern India by taking a sample of 450 respondents from five states of Northern India i.e. Haryana, Punjab, Rajasthan, Himachal Pradesh and Delhi. The analysis of data reveals that the extent of problems relating to finance has declined considerably under new economic regime. It is due to liberal policies followed by financial institutions towards SMEs. Women entrepreneurs face the problem of fixed capital in business. Suitable policies need to be followed to allot plots/sheds for women entrepreneurs. It becomes more important due to sky rocketing prices of land and difficulty for the entrepreneurs

Micro and small enterprises (SMEs) constitute an important segment of the Indian economy. This sector has potential to generate gainful employment opportunities. This sector can assure equitable distribution of income and wealth, balance regional development and also act as nursery for the growth of entrepreneurship among population in general and women in particular.

The female participation in economic activities has seen tremendous improvement at global level during last decade. Women-owned firms represented nearly 40 per cent of all firms in the United States and employed approximately 27.5 million people (NFWBO, 2001). Similarly, rates of self-employment among women are increasing in several EU countries. In Germany, women have created one-third of new businesses since 1990 representing more than one million jobs. In Europe and newly independent states Transition Economics, women are 25 per cent of the business owners. In Great Britain women are one-fourth of the self-employed sector. It has been seen that women outnumber men by at least two times, particularly when it comes to

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to purchase plot/building to start their business and consequently have to pay high rent. The problem relating to working capital can be solved by providing loans against different assets. Financial institutions should not insist more on collateral securities while advancing loans. It will be useful to SMEs to sort out the various problems of finance. Small proportion of women entrepreneurs also faces problem of lack of coordination and problem relating to various other formalities. Financial institutions should increase the awareness of their schemes among small and micro enterprises. Increase in awareness of these schemes can be more useful to these enterprises to avail various benefits.

starting business in China. There are over 5 million women entrepreneurs constituting one fourth of all the entrepreneurs in China (Workshop Proceedings 2000). In Japan too a similar trend has been noticed. The percentage of women entrepreneurs increased from 2.4 per cent in 1980 to 5.2 per cent in 1995 (Shigeko, 2000). In Latin America, women constitute 15 to 20 per cent of all employees, concentrated largely in the commercial and service sector. At present 9.5 per cent women entrepreneurs are managing the small enterprises in India (GOI, 2001).

Information vividly shows that rate of participation of women in business is found to be low when compared with advanced countries of the world. The new economic regime has offered large number of opportunities and challenge to micro and small enterprises of our economy. As a result of this, micro and small-scale sector has been engulfed by large number of problems. The present study examines various financial barriers faced by women entrepreneurs in Northern India.

Review of Literature

The literature cites number of studies in this field.

Taylor and Brooksbank (1995) examined the marketing practices among small New Zealand organisations by taking a sample of 427 small business owners. Findings revealed that the small business firm looks the marketing practices differently from their larger counterparts.

Breen *et al.* (1995) examined financial and family issues by taking a sample of 211 female entrepreneurs from Australia. The study highlighted that female business owners faced the problem of getting finance and started business with low initial capital. On the family front women entrepreneurs faced the problem of supervision and care for sick children.

Caputo and Dolinsky (1998) has examined the role of financial and human capital of household member to pursue self-employment among females. The analysis revealed that business knowledge and cooperation of husband in family matters contribute a lot to pursue the business. Finding further suggested that government should provide necessary skill to women to ensure rapid growth of entrepreneurship.

Punitha et al (1999) examined the problems and constraints faced by women entrepreneurs in the Pondicherry region. A sample of 120 females enterprises were personally interviewed during the period June to July 1999 out of which 42 belonged to rural and 78 to urban areas. The major problems faced by rural women entrepreneurs are competition from better quality products and marketing problems. The problems for urban entrepreneurs are, apart from the competition from better quality products, is the difficulty in getting loans. The least problems faced by both rural and urban women entrepreneurs are ignorance about schemes, distance from market and ignorance about agency and institutions.

Bliss and Garratt (2001) has examined the working of organisation for women in Poland. The paper has examined the various activities performed by these associations to promote women entrepreneurs. Information was collected from 12 support organisation for women. Data collected from these organisations highlighted that basic purpose of these organisations has been to provide inputs to women entrepreneurs in the field of professional ethics, protection of rights of women entrepreneurs and their companies, exchange of experience and other activities.

Mambula (2002) analysed major constrains faced by SMEs in Nigeria. A sample of 32 small business entrepreneurs was taken. Analysis of data revealed that majority of SMEs face the problem of finance and infrastructure while managing their businesses. The author recommended that small business entrepreneurs should collaborate with each other to sort out the various problems faced by them. There is need to form alliance of Government, Research Institutions and Financial Institutions to create appropriate training for prospective small business.

Watson (2003) has examined the failure rates among female control business in Australia. The analysis of study highlighted that failure rate female control business is relatively higher than male controlled business. But the difference is not significant after controlling for the effects of industry.

Tagoe et al (2005) has examined the financial challenged facing by urban SMEs under financial sector liberalisation in Ghana. Main challenges faced by urban SMEs are access to affordable credit over a reasonable period. To manage this challenge SMEs should manage record keeping in an effective manner. Moreover, availability of collateral improves SMEs access to formal credit. But better availability of investment avenues further reduces the accessibility of credit to SMEs.

Above studies touched different areas pertaining to women entrepreneurs, but none of the study seems to have touched the area like financial barriers faced by women

entrepreneurs and their correlates at regional level. The present study proposes to fill the gap in existing literature.

Objectives and Methodology

The study has been pursued to achieve the following objectives:-

1. To analyse the problem of fixed capital faced by women entrepreneurs.
2. To examine the problem of working capital.
3. To study the extent of problem of collateral security.
4. To analyse the problem of lack of coordination among financial institutions.
5. To study the problem of rate of interest.

To achieve these objectives, a sample of 450 women entrepreneurs from five states of Northern India i.e. Delhi, Haryana, Himachal Pradesh, Punjab and Rajasthan has been taken. Number of women entrepreneurs from each state has been mentioned in the following table:

State-wise Number of Enterprises owned by Taken For study		
<i>State</i>	<i>No. of Women entrepreneurs</i>	<i>Percentage</i>
Delhi	60	13.33
Haryana	120	26.67
Himachal Pradesh	51	11.33
Punjab	110	24.44
Rajasthan	109	24.23
Total	450	100

During the survey it has been observed that large number of women entrepreneurs were not actually managing their business. It was decided to include only those women entrepreneurs in our study who were managing their business personally. Information has been collected from respondents by using pre-tested well-designed questionnaire. Principal demographic characteristics like age, level of education, structure of family, form of business organisation, level of investment and income have been taken into consideration while analyzing the data. Moreover, all these characteristics can be beneficial for drawing the meaningful inferences for policy implications. Two stage random sampling technique has been used to choose the respondents for the above study. The classification of women entrepreneurs in different industries has been shown below:

Industry-wise Classification of Enterprises Owned by Women Entrepreneurs

<i>Type of Industry</i>	<i>No. of Women entrepreneurs</i>	<i>Percentage</i>
Manufacturing	191	42.44
Trading	72	16.00
Services	145	32.22
Others	42	9.33
Total	450	100

Most of these women entrepreneurs have established their business after post-reform period i.e. after 1991. All these women entrepreneurs have employed at least 5 workers in their enterprises. Simple percentages and chi-square test have been used to find out the association if any between these various demographic characteristics and different variables taken into consideration in our objectives.

Results and Discussion

Table 1 shows that only one-fourth women entrepreneurs face the problem of fixed capital in business upto a large extent, 22 per cent face this problem to some extent and more than 50 per cent women entrepreneurs have been able to solve this problem. It shows that entrepreneurs have chosen fixed locations, before start of business. Education-wise information further shows that almost same proportion of women entrepreneurs possessing different levels of education face this problem to a little extent. Only one-fourth women entrepreneurs having education upto graduation level face this problem to a large extent. The value of chi-square is statistically insignificant. Only small proportion of women entrepreneurs (13 per cent) in lower age group face the problem of fixed capital to a large extent. It shows that women entrepreneurs in lower age group are giving top priority to fixed capital in business. The value of chi-square is statistically significant at 1 per cent level of significance. Almost same proportion of women entrepreneurs hailing from rural and urban areas face this problem to a large extent. It shows that women entrepreneurs lay more emphasis to have fixed location of business. The value of chi-square is statistically insignificant. Only one-fourth and one-fifth women entrepreneurs coming from joint and nuclear families face this problem to a large extent. The value of chi-square is statistically insignificant. Forms of business organizations further reveal that one-fifth and one-fourth women entrepreneurs managing business under individual and other forms of business organizations face this problem to a large extent. But 27 per cent women entrepreneurs managing business on individual basis face this problem to a little extent. The value of chi-square is statistically insignificant. 81 per cent women entrepreneurs investing more than Rs. 10

Table 1
Extent of Problem of Fixed Capital Faced by Women Entrepreneurs

<i>Group</i>	<i>To great extent</i>	<i>To large extent</i>	<i>To some extent</i>	<i>To little extent</i>	<i>Not at all</i>
<i>All Data</i>	18 (4.00)	90 (20.00)	100 (22.22)	118 (26.22)	124 (27.56)
Education					
Primary	1 (4.17)	6 (25.00)	2 (8.33)	6 (25.00)	9 (37.50)
Matric	6 (7.50)	13 (16.25)	23 (28.75)	19 (23.75)	19 (23.75)
Graduate	10 (5.32)	38 (20.21)	36 (19.15)	52 (27.66)	52 (27.66)
Post Graduate	1 (0.63)	33 (20.89)	39 (24.68)	41 (25.95)	44 (27.85)
Chi-square = 15.164	df = 12		Insignificant		
Age (years)					
Below 30	1 (0.71)	18 (12.77)	35 (24.82)	49 (34.75)	38 (26.95)
30-40	10 (6.54)	37 (24.18)	23 (15.03)	31 (20.26)	52 (33.99)
Above 40	7 (4.49)	35 (22.44)	42 (26.92)	38 (24.36)	34 (21.79)
Chi-square = 27.785	df = 8		Significant at 1 per cent level		
Place of Origin					
Rural	5 (5.75)	14 (16.09)	23 (26.44)	25 (28.74)	20 (22.99)
Urban	13 (3.58)	76 (20.94)	77 (21.21)	93 (25.62)	104 (28.65)
Chi-square = 3.585	df = 4		Insignificant		
Type of Family					
Joint	10 (4.78)	45 (21.53)	50 (23.92)	56 (26.79)	48 (22.97)
Nuclear	8 (3.32)	45 (18.67)	50 (20.75)	62 (25.73)	76 (31.54)
Chi-square = 4.598	df = 4		Insignificant		
Form of Business Organization					
Sole	14 (4.53)	64 (20.71)	63 (20.39)	86 (27.83)	82 (26.54)
Others	4 (2.84)	26 (18.44)	37 (26.24)	32 (22.70)	42 (29.79)
Chi-square = 3.782	df = 4		Insignificant		
Investment (Lacs)					
<1	8 (6.50)	31 (25.20)	39 (31.71)	24 (19.51)	21 (17.07)
1-2	8 (5.56)	34 (23.61)	34 (23.61)	47 (32.64)	21 (14.58)
2-3	2 (2.60)	19 (24.68)	10 (12.99)	21 (27.27)	25 (32.47)
3-5	-	4 (6.25)	11 (17.19)	12 (18.75)	37 (57.81)
5-10	-	2 (6.45)	6 (19.35)	5 (16.13)	18 (58.06)
Above 10	-	-	-	9 (81.82)	2 (18.18)
Chi-square = 99.704	df = 20		Significant at 1 per cent level		
Income (Rs.)					
<7500	3 (5.56)	13 (24.07)	15 (27.78)	17 (31.48)	6 (11.11)
7500-10000	3 (1.99)	40 (26.49)	33 (21.85)	48 (31.79)	27 (17.88)
10000-15000	8 (8.25)	22 (22.68)	25 (25.77)	19 (19.59)	23 (23.71)
15000-20000	2 (2.00)	13 (13.00)	19 (19.00)	22 (22.00)	44 (44.00)
20000+	2 (4.17)	2 (4.17)	8 (16.67)	12 (25.00)	24 (50.00)
Chi-square = 56.348	df = 16		Significant at 1 per cent level		
Training					
Got Training	7 (2.98)	50 (21.28)	54 (22.98)	66 (28.09)	58 (24.68)
No Training	11 (5.12)	40 (18.60)	46 (21.40)	52 (24.19)	66 (30.70)
Chi-square = 3.936	df = 4		Insignificant		
Sources of Finance					
Formal	-	16 (13.33)	28 (23.33)	31 (25.83)	45 (37.50)
Informal	18 (5.45)	74 (22.42)	72 (21.82)	87 (26.36)	79 (23.94)
Chi-square = 16.155	df = 4		Significant at 1 per cent level		
Age of Enterprise					
Below 10 years	12 (4.01)	57 (19.06)	65 (21.74)	79 (26.42)	86 (28.76)
Above 10 years	6 (3.97)	33 (21.85)	35 (23.18)	39 (25.83)	38 (25.17)
Chi-square = 0.969	df = 4		Insignificant		

lacs in business face this problem to a little extent. It shows that these women entrepreneurs on account of availability of finance do not face this problem. On the other hand, women entrepreneurs investing less money in business face this problem more intensively. It may be due to high risk involved in small business and women entrepreneurs do not want to spend more money on fixed capital and they prefer to start their business on rented buildings. The value of chi-square is statistically significant at 1 per cent level of significance. More than 44 per cent women entrepreneurs earning more than Rs. 15,000 per month in business not at all face this problem. On the other hand, slightly more than one-fourth women entrepreneurs earning income upto Rs. 15,000 per month face this problem to a large extent. The value of chi-square is statistically significant at 1 per cent level of significance. Almost same proportion of women entrepreneurs irrespective of their level of training face this problem to a large extent. It shows that women entrepreneurs prefer to go for fixed location first. The value of chi-square is statistically insignificant. Women entrepreneurs who have taken assistance from financial institutions face this problem relatively less than other women entrepreneurs. It shows that financial institutions help women entrepreneurs in solving the problem of fixed capital. The value of chi-square is statistically significant at 1 per cent level of significance. Almost same proportion of women entrepreneurs (24 per cent) irrespective of age of their enterprises face this problem to a large extent. It reveals that women entrepreneurs want to have fixed location of business to avoid the cost of shifting business from one place to other. The value of chi-square is statistically insignificant.

Table 2 shows that only one-fifth women entrepreneurs are facing the problem of working capital in business and another slightly more than one-fourth women entrepreneurs face this problem to some extent. 22 per cent of women entrepreneurs do not face this problem. It shows that free market economies help women entrepreneurs in earning sufficient income to solve the problem of working capital. Education-wise information further shows that 28 per cent women entrepreneurs possessing higher level of education face this problem to some extent. 20 per cent to 33 per cent women entrepreneurs having studied upto primary and matric level of education face this problem to a large extent. The value of chi-square is statistically significant at 1 per cent level of significance. 20 per cent of women entrepreneurs in the age group of 30 40 face this problem to a large extent as compared to 32 per cent of women entrepreneurs belonging to higher age groups. It may be due to decline in demand for their product and difficulty faced by them to manage business under new markets. The value of chi-square is statistically significant at 1 per cent level of significance. Only 20 per cent women entrepreneurs coming from urban areas and 25 per cent from rural areas face this problem upto a large extent. Almost same proportion of women entrepreneurs

Table 2
Extent of problem of working capital faced by women entrepreneurs

<i>Group</i>	<i>To great extent</i>	<i>To large extent</i>	<i>To some extent</i>	<i>To little extent</i>	<i>Not at all</i>
All Data	12 (2.67)	85 (18.89)	127 (28.22)	124 (27.56)	102 (22.67)
Education					
Primary	-	5 (20.83)	6 (25.00)	6 (25.00)	7 (29.17)
Matric	2 (2.50)	24 (30.00)	24 (30.00)	14 (17.50)	16 (20.00)
Graduate	10 (5.32)	36 (19.15)	54 (28.72)	52 (27.66)	36 (19.15)
Post Graduate	-	20 (12.66)	43 (27.22)	52 (32.91)	43 (27.22)
Chi-square = 26.409	df = 12		Significant at 1 per cent level		
Age (years)					
Below 30	2 (1.42)	14 (9.93)	46 (32.62)	45 (31.91)	34 (24.11)
30-40	10 (6.54)	21 (13.73)	33 (21.57)	48 (31.37)	41 (26.80)
Above 40	-	50 (32.05)	48 (30.77)	31 (19.87)	27 (17.31)
Chi-square = 48.123	df = 8		Significant at 1 per cent level		
Place of Origin					
Rural	2 (2.30)	20 (22.99)	22 (25.29)	26 (29.89)	17 (19.54)
Urban	10 (2.75)	65 (17.91)	105 (28.93)	98 (27.00)	85 (23.42)
Chi-square = 2.021	df = 4		Insignificant		
Type of Family					
Joint	6 (2.87)	42 (20.10)	59 (28.23)	61 (29.19)	41 (19.62)
Nuclear	6 (2.49)	43 (17.84)	68 (28.22)	63 (26.14)	61 (25.31)
Chi-square = 2.340	df = 4		Insignificant		
Form of Business Organization					
Sole	12 (3.30)	58 (18.77)	86 (27.83)	83 (26.86)	70 (22.65)
Others	-	27 (19.15)	41 (29.08)	41 (29.08)	32 (22.70)
Chi-square = 5.709	df = 4		Insignificant		
Investment (Lacs)					
<1	10 (8.13)	21 (17.07)	27 (21.95)	46 (37.40)	19 (15.45)
1-2	2 (1.39)	40 (27.78)	57 (39.58)	25 (17.36)	20 (13.89)
2-3	-	13 (16.88)	20 (25.97)	22 (28.57)	22 (28.57)
3-5	-	6 (9.38)	10 (15.62)	19 (29.69)	29 (45.31)
5-10	-	5 (16.13)	11 (35.48)	5 (16.13)	10 (32.26)
Above 10	-	-	2 (18.18)	7 (63.64)	2 (18.18)
Chi-square = 85.509	df = 20		Significant at 1 per cent level		
Income (Rs.)					
<7500	4 (7.41)	11 (20.37)	16 (29.63)	17 (31.48)	6 (11.11)
7500-10000	6 (3.97)	32 (21.19)	50 (33.11)	36 (23.84)	27 (17.88)
10000-15000	2 (2.06)	25 (25.77)	24 (24.74)	25 (25.77)	21 (21.65)
15000-20000	-	14 (14.00)	26 (26.00)	26 (26.00)	34 (34.00)
20000+	-	3 (6.25)	11 (22.92)	20 (41.67)	14 (29.17)
Chi-square = 36.270	df = 16		Significant at 1 per cent level		
Training					
Got Training	12 (5.11)	37 (15.74)	65 (27.66)	70 (29.79)	51 (21.70)
No Training	-	48 (22.33)	62 (28.84)	54 (25.12)	51 (23.72)
Chi-square = 14.699	df = 4		Significant at 1 per cent level		
Sources of Finance					
Formal	2 (1.67)	13 (10.83)	38 (31.67)	29 (24.17)	38 (31.67)
Informal	10 (3.03)	72 (21.82)	89 (26.97)	95 (28.79)	64 (19.39)
Chi-square = 13.453	df = 4		Significant at 1 per cent level		
Age of Enterprise					
Below 10 years	6 (2.01)	52 (17.39)	75 (25.08)	90 (30.10)	76 (25.42)
Above 10 years	6 (3.97)	33 (21.85)	52 (34.44)	34 (22.52)	26 (17.22)
Chi-square = 10.694	df = 4		Significant at 1 per cent level		

irrespective of place of region face this problem to some extent. The value of chi-square is statistically insignificant. Almost same proportion of women entrepreneurs hailing from joint and nuclear families face this problem upto large and some extent respectively. The value of chi-square is statistically insignificant. It shows that these two variables are not associated with each other. Almost same proportion of women entrepreneurs irrespective of forms of business organizations face this problem to a large extent. The value of chi-square is statistically insignificant. Only small proportion of women entrepreneurs investing more than Rs. 10 lacs in business face this problem to some extent. It reveals that women entrepreneurs managing business on large scale are utilizing the services of experts to minimize the problem of working capital. On the other hand, one-fourth of women entrepreneurs investing upto Rs. 2 lacs in business face this problem to a large extent. The value of chi-square is statistically significant at 1 per cent level of significance. 42 per cent women entrepreneurs earning more than Rs. 20,000 per month face this problem to a little extent. It shows that higher level of income solves the problem of working capital in business. On the other hand, slightly more than one-fourth women entrepreneurs earning lower level of income face this problem to a large extent. It highlights that level of earnings affect the availability of working capital in business. The value of chi-square is statistically significant at 1 per cent level of significance. Almost same proportion of women entrepreneurs irrespective of their level of training face this problem to a large extent. The value of chi-square is statistically significant at 1 per cent level of significance. Women entrepreneurs who have been able to avail financial assistance from financial institutions face this problem relatively less as compared to other women entrepreneurs. It shows that availability of finance helps in solving the problem of working capital. The value of chi-square is statistically significant at 1 per cent level of significance. 30 per cent of women entrepreneurs having enterprises less than 10 years old face this problem to a little extent and another 25 per cent not at all face this problem. It shows that women entrepreneurs having younger enterprises are managing business in a much effective manner. The value of chi-square is statistically significant at 5 per cent level of significance.

Table 3 shows that only 16 per cent women entrepreneurs face the problem of collateral security to a large extent and one-third to some extent. It reveals that collateral security is no longer a problem for women entrepreneurs. Education-wise information further shows that women entrepreneurs having lower level of education face this problem relatively more than women entrepreneurs having higher level of education. The reason to this may be assigned to change in policy of financial institutions to provide more liberal loans to educated women entrepreneurs. The value of chi-square is statistically significant at 1 per cent level of significance. It shows that these two variables are closely

Table 3
Extent of Problem of Collateral Security Faced by Women Entrepreneurs

<i>Group</i>	<i>To great extent</i>	<i>To large extent</i>	<i>To some extent</i>	<i>To little extent</i>	<i>Not at all</i>
All Data	10 (2.22)	61 (13.56)	142 (31.56)	119 (26.44)	118 (26.22)
Education					
Primary	-	6 (25.00)	3 (12.50)	8 (33.33)	7 (29.17)
Matric	2 (2.50)	24 (30.00)	24 (30.00)	14 (17.50)	16 (20.00)
Graduate	6 (3.19)	22 (11.70)	57 (30.32)	44 (23.40)	59 (31.38)
Post Graduate	2 (1.27)	9 (5.70)	58 (36.71)	53 (33.54)	36 (22.78)
Chi-square = 42.606	df = 12		Significant at 1 per cent level		
Age (years)					
Below 30	2 (1.42)	5 (3.55)	35 (24.82)	53 (37.59)	46 (32.62)
30-40	6 (3.92)	16 (10.46)	59 (38.56)	33 (21.57)	39 (25.49)
Above 40	2 (1.28)	40 (25.64)	48 (30.77)	33 (21.15)	33 (21.15)
Chi-square = 49.180	df = 8		Significant at 1 per cent level		
Place of Origin					
Rural	2 (2.30)	14 (16.09)	29 (33.33)	27 (31.03)	15 (17.24)
Urban	8 (2.20)	47 (12.95)	113 (31.33)	92 (25.34)	103 (28.37)
Chi-square = 4.799	df = 4		Insignificant		
Type of Family					
Joint	6 (2.87)	33 (15.79)	71 (33.97)	52 (24.88)	47 (22.49)
Nuclear	4 (1.66)	28 (11.62)	71 (29.46)	67 (27.80)	71 (29.46)
Chi-square = 5.333	df = 4		Insignificant		
Form of Business Organization					
Sole	6 (1.94)	36 (11.65)	95 (30.74)	86 (27.83)	86 (27.83)
Others	4 (2.84)	25 (17.73)	47 (33.33)	33 (23.40)	32 (22.70)
Chi-square = 4.887	df = 4		Insignificant		
Investment (Lacs)					
<1	6 (4.88)	14 (11.38)	43 (34.96)	33 (26.83)	27 (21.95)
1-2	2 (1.39)	25 (17.36)	58 (40.28)	36 (25.00)	23 (15.97)
2-3	2 (2.60)	14 (18.18)	17 (22.08)	21 (27.27)	23 (29.87)
3-5	-	3 (4.69)	13 (20.31)	18 (28.12)	30 (46.88)
5-10	-	5 (16.13)	6 (19.35)	7 (22.58)	13 (41.94)
Above 10	-	-	5 (45.45)	4 (36.36)	2 (18.18)
Chi-square = 47.521	df = 20		Significant at 1 per cent level		
Income (Rs.)					
<7500	4 (7.41)	8 (14.81)	19 (35.19)	7 (12.96)	16 (29.63)
7500-10000	-	20 (13.25)	54 (35.76)	44 (29.14)	33 (21.85)
10000-15000	4 (4.12)	20 (20.62)	30 (30.93)	22 (22.68)	21 (21.65)
15000-20000	2 (2.00)	12 (12.00)	18 (18.00)	30 (30.00)	38 (38.00)
20000+	-	1 (2.08)	21 (43.75)	16 (33.33)	10 (20.83)
Chi-square = 44.126	df = 16		Significant at 1 per cent level		
Training					
Got Training	6 (2.55)	28 (11.91)	71 (30.21)	74 (31.49)	56 (23.83)
No Training	4 (1.86)	33 (15.35)	71 (33.02)	45 (20.93)	62 (28.84)
Chi-square = 7.308	df = 4		Insignificant		
Sources of Finance					
Formal	-	16 (13.33)	32 (26.67)	28 (23.33)	44 (36.67)
Informal	10 (3.03)	45 (13.64)	110 (33.33)	91 (27.58)	74 (22.42)
Chi-square = 12.288	df = 4		Significant at 1 per cent level		
Age of Enterprise					
Below 10 years	6 (2.01)	25 (8.36)	98 (32.78)	86 (28.76)	84 (28.09)
Above 10 years	4 (2.65)	36 (23.84)	44 (29.14)	33 (21.85)	34 (22.52)
Chi-square = 21.343	df = 4		Significant at 1 per cent level		

associated with each other. Only one-fourth women entrepreneurs in the age group of more than 40 face the problem of collateral security, whereas it is 15 per cent in case of other women entrepreneurs. It reveals that women entrepreneurs in younger age group might be getting co-operation from their family members in giving security to various institutions. The value of chi-square is statistically significant at 1 per cent level of significance. It shows that these two variables are positively associated. Almost same proportion of women entrepreneurs irrespective of place of origin face this problem to some extent. The value of chi-square is statistically insignificant. Women entrepreneurs hailing from joint families face this problem slightly on higher side than women entrepreneurs coming from nuclear families. It may be due to property jointly held by more than one family member and women entrepreneurs might face problem to provide collateral security in this process. The value of chi-square is statistically insignificant. Women entrepreneurs managing business under other forms of business organizations face this problem relatively more than women entrepreneurs managing business on individual basis. It shows that joint business needs more security than small businesses and in this process this type of businesses faces problem. The value of chi-square is statistically insignificant. 45 per cent of women entrepreneurs investing more than Rs. 10 lacs in business face this problem to some extent, whereas this ratio is one-fourth among women entrepreneurs investing money in the range of Rs. 2-10 lacs in business. The value of chi-square is statistically significant at 1 per cent level of significance. It shows that these two variables vary significantly. 43 per cent women entrepreneurs earning more than Rs. 20,000 per month in business face this problem to some extent. On the other hand, one-third women entrepreneurs earning income upto Rs. 15,000 per month face this problem to some extent. It shows that high income helps in solving the problem of collateral security among women entrepreneurs. The value of chi-square is statistically significant at 1 per cent level of significance. Untrained women entrepreneurs face this problem to a large and some extent more than trained women entrepreneurs. The value of chi-square is statistically insignificant. Women entrepreneurs who have taken financial assistance from financial institutions face this problem relatively less than other women entrepreneurs. The value of chi-square is statistically significant at 1 per cent level of significance. Women entrepreneurs having enterprises more than 10 years old face this problem relatively more than women entrepreneurs having enterprises less 10 years old. It shows that the post-reform period has observed liberal attitude of financial institutions towards growth of women entrepreneurship. The value of chi-square is statistically significant at 1 per cent level of significance.

Table 4 shows that only one-third women entrepreneurs feel that there is a lack of coordination among financial institutions. It shows that under new economic regime

Table 4
Extent of Problem of Coordination Among Financial Institutions Faced by Women Entrepreneurs

<i>Group</i>	<i>To great extent</i>	<i>To large extent</i>	<i>To some extent</i>	<i>To little extent</i>	<i>Not at all</i>
All Data	24 (5.33)	128 (28.44)	76 (16.89)	96 (21.33)	126 (28.00)
Education					
Primary	-	13 (57.17)	-	4 (16.67)	7 (29.17)
Matric	12 (15.00)	12 (15.00)	19 (23.75)	17 (21.25)	20 (25.00)
Graduate	5 (2.66)	56 (29.79)	28 (14.89)	33 (17.55)	66 (35.11)
Post Graduate	7 (4.43)	47 (29.75)	29 (18.35)	42 (26.58)	33 (20.89)
Chi-square = 45.925	df = 12		Significant at 1 per cent level		
Age (years)					
Below 30	2 (1.42)	44 (31.21)	11 (7.80)	41 (29.08)	43 (30.50)
30-40	14 (9.15)	50 (32.68)	27 (17.65)	27 (17.65)	35 (22.88)
Above 40	8 (5.13)	34 (21.79)	38 (24.36)	28 (17.95)	48 (30.77)
Chi-square = 32.065	df = 8		Significant at 1 per cent level		
Place of Origin					
Rural	5 (5.75)	31 (35.63)	10 (11.49)	28 (32.18)	13 (14.94)
Urban	19 (5.23)	97 (26.72)	66 (18.18)	68 (18.73)	113 (31.13)
Chi-square = 16.371	df = 4		Significant at 1 per cent level		
Type of Family					
Joint	15 (7.18)	63 (30.14)	37 (17.70)	43 (20.57)	51 (24.40)
Nuclear	9 (3.73)	65 (26.97)	39 (16.18)	53 (21.99)	75 (31.12)
Chi-square = 4.946	df = 4		Insignificant		
Form of Business Organization					
Sole	16 (5.18)	91 (29.45)	40 (12.94)	69 (22.33)	93 (30.10)
Others	8 (5.67)	37 (26.24)	36 (25.53)	27 (19.15)	33 (23.40)
Chi-square = 11.486	df = 4		Significant at 5 per cent level		
Investment (Lacs)					
<1	5 (4.07)	47 (38.21)	11 (8.94)	31 (25.20)	29 (23.58)
1-2	12 (8.33)	40 (27.78)	29 (20.14)	35 (24.31)	28 (19.44)
2-3	3 (3.90)	29 (37.66)	17 (22.08)	14 (18.18)	14 (18.18)
3-5	-	12 (18.75)	9 (14.06)	5 (7.81)	38 (59.38)
5-10	4 (12.90)	-	6 (19.35)	5 (16.13)	16 (51.61)
Above 10	-	-	4 (36.36)	6 (54.55)	1 (9.09)
Chi-square = 91.286	df = 20		Significant at 1 per cent level		
Income (Rs.)					
<7500	-	13 (24.07)	7 (12.96)	17 (31.48)	17 (31.48)
7500-10000	7 (4.64)	46 (30.46)	16 (10.60)	32 (21.19)	50 (30.11)
10000-15000	8 (8.25)	30 (30.93)	27 (27.84)	12 (12.37)	20 (20.62)
15000-20000	3 (3.00)	25 (25.00)	17 (17.00)	23 (23.00)	32 (32.00)
20000+	6 (12.50)	14 (29.17)	9 (18.75)	12 (25.00)	7 (14.58)
Chi-square = 36.316	df = 16		Significant at 1 per cent level		
Training					
Got Training	14 (5.96)	68 (28.94)	39 (16.60)	63 (26.81)	51 (21.70)
No Training	10 (4.65)	60 (27.91)	37 (17.21)	33 (15.35)	75 (34.88)
Chi-square = 14.305	df = 4		Significant at 1 per cent level		
Sources of Finance					
Formal	3 (2.50)	9 (7.50)	24 (20.00)	34 (28.33)	50 (41.67)
Informal	21 (6.36)	119 (36.06)	52 (15.76)	62 (18.79)	76 (23.03)
Chi-square = 43.311	df = 4		Significant at 1 per cent level		
Age of Enterprise					
Below 10 years	20 (6.69)	94 (31.44)	43 (14.38)	62 (20.74)	80 (26.76)
Above 10 years	4 (2.65)	34 (22.52)	33 (21.85)	34 (22.52)	46 (30.46)
Chi-square = 9.837	df = 4		Significant at 5 per cent level		

financial institutions are trying to provide all services through single window. Education-wise information further shows that women entrepreneurs possessing low level of education face this problem to a large extent. It seems that less educated women entrepreneurs face this problem due to lack of awareness and difficulty in approaching these institutions. The value of chi-square vary significantly. Only one-fourth women entrepreneurs in higher age group face this problem to a large extent whereas, this ratio is 42 per cent in case of women entrepreneurs in the age group of 30-40. The value of chi-square is statistically significant at 1 per cent level of significance. Women entrepreneurs hailing from rural areas face this problem more than women entrepreneurs coming from urban areas. It may also be due to difference in place of origin and less exposure to business procedure. 31 per cent of women entrepreneurs coming from urban areas not at all face this problem. The value of chi-square is statistically significant at 1 per cent level of significance. It shows that these two variables are independent. Women entrepreneurs coming from joint families face this problem more than other women entrepreneurs. The value of chi-square is statistically insignificant. Women entrepreneurs managing business on individual basis face this problem slightly on higher side as compared to other women entrepreneurs. It shows that large business faces less problems. It may be due to ability to take the services of experts and more contacts. The value of chi-square is statistically significant at 5 per cent level of significance. Women entrepreneurs investing less money in business face this problem more than other women entrepreneurs. The value of chi-square is statistically significant at 1 per cent level of significance. It shows that these two variables vary significantly. Women entrepreneurs earning even higher level of income feel that there is lack of coordination among various financial institutions. It may be due to more urgent requirement of finance to fulfil various requirements. The value of chi-square is statistically significant at 1 per cent level of significance. Almost same proportion of trained and untrained women entrepreneurs face this problem to a large extent. It shows that training sometime doesn't prove to be beneficial in case of coordination with financial institutions. The value of chi-square is statistically significant at 1 per cent level of significance. 42 per cent women entrepreneurs who have not availed financial assistance from financial institutions face this problem. The value of chi-square is statistically significant at 1 per cent level of significance. Women entrepreneurs who have established their business recently feel that there is a lack of coordination among financial institutions. The value of chi-square is statistically significant at 5 per cent level of significance.

Table 5 shows that 26 per cent women entrepreneurs face the problem of high rate of interest to a large extent and another 23 per cent to some extent. It shows that problem of high rate of interest is prevalent among small and micro level enterprises. The reason

to this may be assigned to more dependence on informal sources of finance in business. Education-wise information further projects that women entrepreneurs possessing lower level of education face the problem of high rate of interest. On the other hand, women entrepreneurs having higher level of education do not face this problem. It seems that women entrepreneurs possessing higher level of education might be using their financial resources more judiciously. The value of chi-square is statistically significant at 1 per cent level of significance. Women entrepreneurs in lower age group face this problem less than women entrepreneurs in middle and higher age group. It seems that women entrepreneurs in lower age groups might be using their own resources or taking assistance from their parents and institutional sources. The value of chi-square is statistically significant at 1 per cent level of significance. Almost same proportion of women entrepreneurs (26 per cent) hailing from rural and urban areas face the problem of higher rate of interest to a large extent. The value of chi-square is statistically significant at 1 per cent level of significance. Similarly, almost same proportion of women entrepreneurs coming from joint and nuclear families also face this problem to a large extent. The value of chi-square is statistically significant at 1 per cent level of significance. Women entrepreneurs managing business under other than individual forms of business organizations face this problem relatively more as compared to their counterparts managing business on individual basis. The value of chi-square is statistically significant at 1 per cent level of significance. Women entrepreneurs investing less money in business face this problem relatively more as compared to women entrepreneurs investing more money in business. It reveals that the problem of high rate of interest is no longer faced by women entrepreneurs investing more money in business. Suitable policies need to be formulated to cater to the needs of small and micro level enterprises. The value of chi-square is statistically significant at 1 per cent level of significance. Women entrepreneurs earning moderate and lower level of income face the problem of high rate of interest. The value of chi-square is statistically significant at 1 per cent level of significance. Untrained women entrepreneurs (32 per cent) face the problem of high rate of interest more than trained women entrepreneurs (21 per cent). It seems that training enhances the knowledge of availability of various sources of finance and women entrepreneurs might be able to get assistance from formal sources of finance. The value of chi-square is statistically significant at 1 per cent level of significance. It seems logical that women entrepreneurs using informal sources of finance face the problem of high rate of interest. The value of chi-square is statistically significant at 1 per cent level of significance. Similarly women entrepreneurs having older enterprises face the problem of high rate of interest. It seems that younger generation of women entrepreneurs are more alert, knowledgeable and informative and utilizing this information in their business to overcome the problem of high rate of interest. The value of chi-square is statistically insignificant. Analysis vividly reveals that women entrepreneurs in micro and small enterprises face the

Table 5
Extent of Problem of High Rate of Interest Faced by Women Entrepreneurs

<i>Group</i>	<i>To great extent</i>	<i>To large extent</i>	<i>To some extent</i>	<i>To little extent</i>	<i>Not at all</i>
All Data	5 (1.11)	114 (25.33)	102 (22.67)	136 (30.22)	93 (20.67)
Education					
Primary	-	7 (29.17)	7 (29.17)	7 (29.17)	3 (12.50)
Matric	-	30 (37.50)	22 (27.50)	16 (20.00)	12 (15.00)
Graduate	5 (2.66)	47 (25.00)	34 (18.09)	58 (30.85)	44 (23.40)
Post Graduate	-	30 (18.99)	39 (24.68)	55 (38.81)	34 (21.52)
Chi-square = 24.253	df = 12		Significant at 1 per cent level		
Age (years)					
Below 30	1 (0.71)	22 (15.60)	22 (15.60)	59 (41.84)	37 (26.24)
30-40	2 (1.31)	40 (26.14)	41 (26.80)	45 (29.41)	25 (16.34)
Above 40	2 (1.28)	52 (33.33)	39 (25.00)	32 (20.51)	31 (19.87)
Chi-square = 28.934	df = 8		Significant at 1 per cent level		
Place of Origin					
Rural	-	23 (26.44)	31 (35.63)	19 (21.84)	14 (16.09)
Urban	5 (1.38)	91 (25.07)	71 (19.56)	117 (32.23)	79 (21.76)
Chi-square = 12.849	df = 4		Significant at 1 per cent level		
Type of Family					
Joint	1 (0.48)	56 (26.79)	60 (28.71)	64 (30.62)	28 (13.40)
Nuclear	4 (1.66)	58 (24.07)	42 (17.43)	72 (29.88)	65 (26.97)
Chi-square = 18.018	df = 4		Significant at 1 per cent level		
Form of Business Organization					
Sole	4 (1.29)	71 (22.98)	69 (22.33)	96 (31.07)	69 (22.33)
Others	1 (0.71)	43 (30.50)	33 (23.40)	40 (28.37)	24 (17.02)
Chi-square = 4.062	df = 4		Insignificant		
Investment (Lacs)					
<1	3 (2.44)	33 (26.83)	20 (16.26)	41 (33.33)	26 (21.14)
1-2	-	51 (35.42)	42 (29.17)	32 (22.22)	19 (13.19)
2-3	1 (1.30)	15 (19.48)	26 (33.77)	22 (28.57)	13 (16.88)
3-5	1 (1.56)	8 (12.50)	5 (7.81)	25 (39.06)	25 (39.06)
5-10	-	7 (22.58)	4 (12.90)	12 (38.71)	8 (25.81)
Above 10	-	-	5 (45.45)	4 (36.36)	2 (18.18)
Chi-square = 58.670	df = 20		Significant at 1 per cent level		
Income (Rs.)					
<7500	1 (1.85)	17 (31.48)	6 (11.11)	14 (25.93)	16 (29.63)
7500-10000	2 (1.32)	42 (27.81)	42 (27.81)	38 (25.17)	27 (17.88)
10000-15000	1 (1.03)	31 (31.96)	22 (22.68)	20 (20.62)	23 (23.71)
15000-20000	1 (1.00)	19 (19.00)	18 (18.00)	40 (40.00)	22 (22.00)
20000+	-	5 (10.42)	14 (29.17)	24 (50.00)	5 (10.42)
Chi-square = 35.904	df = 16		Significant at 1 per cent level		
Training					
Got Training	3 (1.28)	46 (19.57)	53 (22.55)	92 (39.15)	41 (17.45)
No Training	2 (0.93)	68 (31.63)	49 (22.79)	44 (20.47)	52 (24.19)
Chi-square = 21.999	df = 4		Significant at 1 per cent level		
Sources of Finance					
Formal	2 (1.67)	21 (17.50)	22 (18.33)	38 (31.67)	37 (30.83)
Informal	3 (0.91)	93 (28.18)	80 (24.24)	98 (29.70)	56 (16.97)
Chi-square = 14.071	df = 4		Significant at 1 per cent level		
Age of Enterprise					
Below 10 years	3 (1.00)	70 (23.41)	60 (20.07)	101 (33.78)	65 (21.74)
Above 10 years	2 (1.32)	44 (29.14)	42 (29.14)	35 (23.18)	28 (18.54)
Chi-square = 8.276	df = 4		Insignificant		

problem of high rate of interest. There is a need to provide more credit facilities on low rate of interest to this sector. This sector has more potential to generate gainful employment opportunities along with large number of other benefits.

Suggestions and Policy Implications

The foregoing analysis reveals that the extent of problems relating to finance has declined considerably under new economic regime. It is due to liberal policies followed by financial institutions towards SMEs. Women entrepreneurs are facing various financial related problem upto a moderate level. Women entrepreneurs face the problem of fixed capital in business. Suitable policies need to be follow to allot plots/sheds for women entrepreneurs. It becomes more important due to sky rocketing prices of land and difficulty for the entrepreneurs to purchase plot/building to start their business and consequently have to pay high rent. The problem relating to working capital can be solved by providing loans against different assets. Financial institutions should not insist more on collateral securities while advancing loans. It will be useful to SMEs to sort out the various problems of finance. Small proportion of women entrepreneurs also faces problem of lack of coordination and problem relating to various other formalities. Financial institutions should increase the awareness of their schemes through various means of advertisements among small and micro enterprises. Increase in awareness of these schemes can be more useful to these enterprises to avail various benefits. The problem relating to high rate of interest can be solved by following liberal policies by financial institutions.

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