

ECONOMIC AND SOCIAL ISSUES OF WOMEN ENTREPRENEURS IN MICRO-ENTERPRISE

D. SHANTHI REVATHI

Research Scholar, Sathyabama University, Lecturer, Management Studies, Ranipettai Engg. College

JAYASREE KRISHNAN

Professor & Head in Management Studies, St. Joseph's Engg. College, Chennai-119

ABSTRACT

The concept of promoting women's economic and political empowerment has gained greater attention over the last three decades. Although there has been recent focus on developing women's entrepreneurship, much of the focus has been on growth-oriented women's businesses. Women's entrepreneurship in micro and small business that are often considered informal has not been able to reach the growth potential. Consequently, addressing gender-specific barriers to entrepreneurship and leveraging the full participation of both men and women in the development.

KEYWORDS: Women, Entrepreneurs, Social, Microenterprise.

1. INTRODUCTION

There are three main reasons why gender matters. First, women are major players in the private sector, particularly in agriculture and in informal businesses. It is estimated that women-owned businesses account for over one-third of all firms, and they are the majority of businesses in the informal sector. Second, the ability of women to formalize and grow their businesses, to create jobs, and to enhance productivity is hampered where legal and institutional barriers exist that affect men's and women's enterprises differently. Third, there is evidence-especially at the micro level-to indicate that gender disparities not only disadvantage women but also reduce the growth potential of the region as a whole. The existence of gender related barriers can thwart the economic potential of women as entrepreneurs and workers, and such barriers have an adverse impact on enterprise development, productivity, and competitiveness in various sectors.

2. PROBLEMS ENCOUNTERED BY WOMEN

Entrepreneurship is not an individual process but a collective one, involving many actors in addition to the entrepreneur himself or herself. Competitive enterprises cannot be created just as a result of the decision or willingness of one individual.

There is need for an enabling environment and for support services for entrepreneurs from various public and private institutions.

Women entrepreneurs are often prevented from running competitive businesses by their relatively low education and skill levels, which generally limit their access to the various support services. The multiple roles of women in the family put a brake on their risk-taking. Therefore, many of them are afraid to invest their limited funds into a business for fear of failure. Initiative and creativity are as fundamental as risk-taking in enterprise creation. However, most women tend to copy each other rather than to produce something new for their market or to look for a new market for their products. Women face many other problems. The most outstanding ones are as follows:

- Limited access to necessary technologies due to lack of information and know-how, and high prices
- Difficulty in finding appropriate production sites at competitive prices
- Inadequate skills in the fields of production, business management and marketing
- Lack of skills for product diversification
- Inadequate infrastructure and utilities, of which inadequate transport facilities from rural areas and insufficient power supplies are the most serious
- Limited access to finance
- Limited access to information.
- A lack of organization and networking, both among women themselves, and between women and existing business associations and support institutions.

2.1. Labor Burden

Studies have shown that women have higher labor burden as opposed to men. (Dejene, 2006) Family and community responsibilities take a lot of women's time that could be applied for improving their income generating efforts. Their responsibility for child care limits their mobility and obliges them to generate income in less conducive environment for business. Although statistical data are not available on the share of children attending early childhood education, there is greater shortage of affordable child care and preschool programs even in urban areas in many parts of Tamilnadu. Women's responsibilities for child care are often cited as reasons for women's low participation in skills training and literacy programs, which are crucial for building business management skills of female enterprises.

2.2. Skills

Lack of adequate skills are other constraints faced by female entrepreneurs. The coverage and quality of agricultural extension services in processing, preserving and packaging food is limited in many countries. Training for women often focuses on

“traditional female skills” in tie and dye, basket making etc. for which the market is saturated. Women’s high illiteracy rate also limits the types of vocational and skills training they can be offered.

2.3. Access to Financial Resources

Women’s lack of assets, due to the gender discriminatory property and inheritance practices in many countries limit women’s access and control over resources specifically land. The lack of both start up and working capital limits the size, type and location of income generating activities. In recent decade micro-credit institutions have gained greater prominence in filling in the financial resource gaps to the poor in general and to poor women in particular. While some of the successes of micro-credit institutions has gained recognition over the years.

2.4. Limited Access to Markets

Studies reported women’s micro and small entrepreneurs often complaining about the lack of demand for their products. (DAI, 2005). There are various factors that limit women’s access to markets. As noted earlier, women disproportionately experience limited mobility due to various factors linked to either their family responsibility or cultural practices. In addition limited access to input markets, due to shortage of raw materials and high price of imported inputs such as chemicals for batik work and tie and dye can constrain their productivity.

2.5. Weak Business Organizations

Women have various types of informal and semi-formal economic and social associations where they pull labor and resources together to maximize labor productivity and social networks. However, the capacity of these associations is weak and they more concerned with their social interest instead of looking at what they can do to support their businesses economically.

2.6. Technology Transfer

Technology is the key to economic development. At the moment technology transfer into Africa continues to be in the form of consumer technology which only allows people to learn what technology to consume and how to consume it and remain technologically backward in a world where technology dominates commerce, politics and even culture.

2.7. The Absence of Peace and Security

Peace and security are a prerequisite for development and all human beings aspire and deserve them. All people also aspire for happiness and a quality of life devoid of poverty and indignity. Yet for the last three decades many states have hardly enjoyed internal peace and security.

2.8. Limited Enabling Environment

Governments in much part of states recognize the role micro and small enterprises can play for employment generation and poverty reduction. However, creating a more enabling environment for promoting micro and small businesses and transforming the informal economy into a dynamic economic sector has been a challenge. The absence of statistical data to determine the size characteristics of the informal sector operators and the capacity of the institutions with which they interact limits the ability of governments to make informed policy measures.

3. RECOMMENDATIONS

Women's lack of access to productive resources is a serious economic problem for the continent. Denying working women the opportunity to own and inherit property has serious implications on the productivity and income of households. There is a growing realization that countries are not honoring their international and regional commitments that call for gender equality in property and inheritance rights. Greater attention needs to be paid in galvanizing efforts to ensure women's ownership of land and other properties through policy formulation reform, revision of the legal systems and changing customary practices.

4. CONCLUSION

Micro and small enterprises provide employment to the poor who have no other means of income. Women are highly represented in self-employment and operating small income generating activity. Although women's micro and small enterprises are significant in terms of reducing the household vulnerability to poverty, many of them are not reaching their growth potential due to various factors as summarized above. Many of the constraints women micro and small enterprises face can not be addressed with one single intervention or one single sector for that matter. The micro and small enterprises, although their importance for poverty reduction is recognized, there is little confidence among policy makers about their ability to contribute to the growth of the economy. Therefore, greater attention needs to be paid to the development of the sector in general to promoting women owned micro and small enterprises in the continent and ensure women's economic empowerment as a way to reducing poverty and promoting growth.

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