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Short Note

Women's access to credit facilities

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Abstract

Women entrepreneurship is a path to women independence and empowerment. Many new enterprises are started up now a day but there are many hurdles to maintain these enterprises. One of the major obstacles to successful entrepreneurship among women is the lack of finance from financial sources.

Among various other ways of developing economically, promotion of women entrepreneurship is presently being sought as one of the reliable and viable options. Self-employment opportunities and entrepreneurship is the most powerful tool to eradicate unemployment. Though women entrepreneurs are enjoying a special status in society, they face various problems in the establishing, developing and running their enterprises in 21st century (Madasamy and Xavier, 2005). Entrepreneurship is a more suitable profession for women than regular employment in public and private sectors since they have to perform dual roles. An entrepreneur is defined as an innovator who would revolutionize the pattern of production by exploiting an invention and is one of the important segments of economic growth.

Development as an entrepreneur is a recently discovered phenomenon for women for whom they need motivation, training, and support of family members. Facilities are provided by Govt. and non-Govt. agencies to motivate and to import training to develop entrepreneurial skill in women.

A large number of Indian women are slowly emerging out of a system that had oppressed and exploited them for centuries; women are becoming self-reliant in large number of cities, towns and rural areas. They are the vehicles of silent socio-economic revolution. Table 1 describes status of Indian women in entrepreneurial terms, According to this data, Out of total population in India, females comprise 47.7 per cent. But among them only 5.2 per cent are self-employed and 40 per cent are un-employed.

Present study was undertaken to find out women's access to credit facilities was conducted with specific objectives:

- To assess the level of awareness of women entrepreneurs about special financial schemes.
- To find out extent of women's access to sources of finance
- To find out specific finance related problems faced by the women entrepreneurs.

The present study was carried out in Palampur town of Himachal Pradesh and its nearby areas within the radius of 10 km from the town. A total sample of 30 women entrepreneurs was selected randomly for the study. A well-structured questionnaire was used to collect the data from the respondents. Awareness level of the respondents regarding special financial schemes was studied with the help of a 3- point scale i.e. low- moderate-high, for measuring the awareness level of women respondents regarding special financial schemes.

Table 1. Status of Indian women in entrepreneurial terms

Percentage of women in	Percentage
Total population	47.7
Total workspace	36.4
Total unemployed	40.0
Total self-employed	5.2
Total small scale industries (SSI) entrepreneurs	6.2

Source: (Lakshmi, 2002)

Sources of finance

There are various Govt. and non-Govt. agencies engaged in providing financial assistance to women but the existing financial mechanism available in the country for providing financial support to women enterprises and small business needs careful scrutiny. It has been the experience that financial institutions in general have been dealing with women enterprises and small business in no better terms than their usual ways

of providing assistance to the business in no better terms than their usual ways of providing assistance to the trade and industry. Experience of financial institutions and assistance agencies ascribe major cause of enterprise failure to inadequate capabilities of the entrepreneurs to manage the enterprise. William and Rahane (2001) studied that due to exploitation, several problems were created among women entrepreneurs like economic problems (84%), family problems (69%), and health problems (34.5%).

Table 2 indicates the sources from where the entrepreneurs managed finance for investment in their enterprises. Of the total sample, majority of the respondents (56%) had invested their own money in their business very few entrepreneurs depended partially on financial assistance from banks (10%) and non-banking financial institutions revealing that women entrepreneurs are more likely to rely on their personal finances for venturing into business. Dhameja (2004) suggested that the women entrepreneurs must also convince their husband/ family members to unhesitatingly pour in money in their enterprises for arranging adequate finance, free from lengthy procedural difficulties. The entrepreneurs can look for non-formal sources of finance like private finances, relatives, and friends etc. The non-institutional finance is one of the sources of rising in small enterprises.

Table 2. Sources of finance

Source of finance	No. of enterprises	%age
Self	17	56
Friends/Relatives	6	20
Banks	3	10
Money lender	4	14
Total	30	100

Type of entrepreneurship

From the Table 3, it is evident that half of the respondents (50%) had stated their own boutique and beauty parlor as a business. 6.5 percent had owned PCO/STD and 26.5 per cent were involved in business of Product manufacturing like pickle making, knitting etc. and a very few (6.5%) had started their shops as a business.

Table 3. Type of entrepreneurship of respondents

Type of entrepreneur ship	No. of enterprises	%age
Product manufacturers (Knitting/tailoring/pickle making etc.)	8	26.5
Boutique/Parlors	15	50.0
PCO/STD owners	5	16.5
Daily need shop	2	6.5
Total	30	100.0

Table 4 shows that half of these women entrepreneurs had an initial investment of less than Rs. 10,000 and 20 percent respondents out of total sample had investment between Rs. 10,000-25,000. Very few respondents (13%) had invested between Rs. 25,000 to 50,000 for starting business.

Table 4. Initial, investment amount of respondents

Investment amount (Rs)	No. of enterprises	%age
1000 to 5000	5	16.5
5000 to 10000	15	50.00
10000 to 25000	6	20.00
25000 to 50000	4	13.00
50000 to 100000	--	--
100000 to 500000	--	--
Total	30	100.00

Awareness level

There are various programmes started by Govt. to uplift the status of women in entrepreneurial terms, various efforts have been directed towards encouraging the women. All such frameworks may seem to be effective measures for upliftment of the women but it is a fact that a greater number of women in our country are not aware of these benefits and live far away from all these opportunities.

Facilities are provided by governmental & non-govt. agencies to motivate and to impart training to develop entrepreneurial skills in women. But most of the women keep away from such developmental programmes due to social norms, unawareness of women regarding self-employment opportunities, dependency upon male -oriented society, lack of decision making ability and ignorance from women herself.

Table 5. Awareness level of respondents regarding special financial schemes

Awareness about special financial schemes for women	No. of Respondents (30)	%age
Yes	19	63.5
No	11	36.5
Level of awareness	No. of Respondents (19)	%age
Low	9	47.37
Moderate	7	36.84
High	3	15.79
Total	19	100.00

The data in Table 5 revealed that 63 percent respondents knew that there were certain schemes for financial assistance for women entrepreneurs. And 36.5 percent did not know about financial schemes made for them and this indicated their nil knowledge of awareness about special financial schemes related to women entrepreneurship . There is need to advertise and publicize these schemes to increase their level of awareness. Further analysis of the data reveals that only 10 percent respondents had high level of awareness.

Problems faced by women entrepreneurs

Although men as well as women face difficulties in establishing an enterprise, women have particular barriers to overcome. Among them are negative prevailing socio-cultural attitudes, practical external barriers and personal difficulties. Negative attitudes may frequently be based upon sex discrimination i.e. gender bias. In dealing with the various associated stakeholders with her enterprise such as suppliers, bankers, or customers women often suffer from negative perceptions held against them as serious business people. They tend to consider women-run enterprises as hobbies. Moreover women entrepreneur are some times not well-versed with governmental laws and institutional policies which leads to this attitude.

Table 6 indicates that the maximum i.e. (33.5%) of the respondents admitted that they had little knowledge about procedures for taking loan and they faced difficulty in following the procedures. Many of the respondents (26.5%) also reported that the financial institutes do not put much faith in them and some times see them with suspicion. Other problems expressed by the respondents were high rate of interest and non-implementation of existing policies for financial assistance to women.

Table 6. Various problems faced by women entrepreneurs

Problems faced by the women entrepreneurs	No. of respondents	%age
Lack of funds for initial investment	3	10.0
Lack of knowledge about procedure for taking loan	10	33.5
Non-implementation of existing policies	7	23.5
High rate of interest	2	6.5
Women not taken seriously	8	26.5
Total	30	100.0

Recommendations

One of the major obstacles to successful entrepreneur ship among women is the lack of finance from traditional sources. The results of the present study found that:

- Majority of women respondents had low initial investment and working capital.
- Majority of respondents invested hundred percent of their personal finance to start the venture.
- Those who had taken financial assistance had repaid their borrowed amount.
- Major problems faced by these women were lack of funds for initial investment, lack of knowledge for procedures for acquiring loans, non-implementation of existing policies.

Hence, it is recommended that the following approaches should be considered by policy and decision makers and adopted at local as well as at national levels:

- Promote greater women business owner's equity.
- Promote more adequate loan guarantee schemes.
- Make a credit pool available to women from the smallest to the largest business opportunity.
- Increase access to credit by promoting the development of linking organizations between large capital organizations and very small borrowers in villages and small towns, which can deliver small

amounts of money to entrepreneurs at reasonable rate of interest.

- Increase women's success by promoting counseling services to women business owners from initial stages and access to support networks for training, information and market development.
- Promote possible partnership between government, voluntary agencies & private sector lending in order to make this avenue attractive.

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