

*Problems of Passive Entrepreneurism among Women  
Entrepreneurs: Cause and Effect*

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*Abstract: Even though the women owned enterprises alone provide employment to 13.45 million people in the country as per sixth economic census, there is no study on the actual role of women in the success of these firms. This is because in most instances they play a passive and dormant role in managerial activities by lending just their name only for availing capital under women specific schemes. Nevertheless there is no survey report available in India on the success rate of the women entrepreneurs and their actual role in such successes. Consequently, the functional efficiency and specific role of the Women Entrepreneurs in fulfilling the intended business goals could not be ascertained. This article highlights the problem of passive entrepreneurism among women entrepreneurs and also traces its root cause.*

*Keywords: sixth economic census; dormant role; success rate; passive entrepreneurism; root cause.*

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## I. INTRODUCTION

The development of women entrepreneurship is important for developing countries like India due to their large proportion in the population. The women Entrepreneurs (WEs) in India account for about 10% of the total number of entrepreneurs in the country. In other words, 8.05 million businesses are owned by women entrepreneurs (WEs) as against the total of 58.8 million functional businesses in the country. This is in sharp contrast to the proportion of women in total population which is nearly 50% of the total population of 1.21 billion (GOI Census, 2011). This indicates the poor patronage received by WEs in our traditionally male dominated society. Incidentally, most of the businesses owned by women are small sized and nearly 79% of them are self-financed. The under representation of women in business entrepreneurship and the apathy of Indian society toward them could be better understood when seen in a global context. For instance, the Female Entrepreneurship Index (FEI) released by the Global Entrepreneurship and Development Institutions (GEDI) put India at 70<sup>th</sup> position among 77 countries. Nevertheless, the situation is changing lately with a study by BNP Paribas (2015) indicating a 49% increase in number of women taking up business ventures across India. Among the Indian states, the highest number of women owned business enterprises is in Tamil Nadu (13.51%) followed by Kerala (11.35%).

Though plethora of problems like Discriminating property act, Inheritance Laws, Cultural taboos and inadequate access to formal financial mechanism have played spoilsports in the women entrepreneurship, the passive entrepreneurism is a lesser known but more rampant problem affecting government initiatives towards the promotion of Women Entrepreneurship. In passive entrepreneurism, women just lend their name for availing loan by any male members of their family without taking any active role in business management. Certainly the passive entrepreneurship frustrates the initiatives of the Central and State governments to make women economically independent. Let us now see a few of the literatures pertaining the general conditions of women entrepreneurs.

## II. OVERVIEW OF LITERATURE

ArpitaManta (Jan. 2014)<sup>i</sup>highlighted in her study how women hold relatively weak economic position in the household and their problems in arranging start-up capital for their enterprises because they have to depend on their husband or other family members for financial support.

MeenuGoyal, Jai Parkash(Sep.2011)<sup>ii</sup>observed that the Indian culture made women only subordinates and executors of the decisions made by other male members in the basic family structure.

JyotiBahl (July.2012)<sup>iii</sup> noted that Promoting entrepreneurship for women will require an even greater reversal of traditional attitudes than the mere creation of opportunities for women. Training programmes for women entrepreneurs should go beyond subsidies and credit allocation to attitudinal changes, group formation, training and other support services.

Vethirajan&Muthukumaresan (Oct.2016)<sup>iv</sup> in their study observed that most Women Entrepreneurs are managing their business simply without any urge to expand or grow the enterprise.

According to Saravanan&SulthanBasha (Oct.2016)<sup>v</sup> the study of women entrepreneurship has lot of relevance today, not only because it helps entrepreneurs better fulfill their personal needs but because of the economic contribution of the new ventures.

D. PulidindiVenugopal (Dec.2012)<sup>vi</sup> mentions that the financial inclusion of women give rise to the decision making power in the family. Though women comprise half of the population, the duties and responsibilities rendered by them are more than their population in terms of contribution; yet the participation in decision making is neither permitted nor considered.

The study by T. Unnamalai (Oct.2016)<sup>vii</sup> states the fact that Education is associated with carrying out business. Hence, women should be educated. Incessant training and motivation by the Government is mandatory to enhance the skills of women entrepreneur.

MilcahMuluMuthuku (Mar.2015)<sup>viii</sup> states that economic development is achieved with the renewed involvement and enthusiasm of women entrepreneurs as understood by the policy makers. The role of women entrepreneurs is mandatory to the economic growth of every developing nation. But due to lack of motivation, support, traditional and social barriers, there is clearly 'under-representation' for women in business.

According to Federal Ministry for Economic Cooperation and Development report of December, 2012<sup>ix</sup> the Collateral requirements exclude women as they often lack land/property rights, restricted physical outreach and typical bank opening hours affect women more than men because they are less mobile than men.

## III. CAUSE OF PASSIVE ENTREPRENEURISM

Being non entrepreneur is less harmful than becoming entrepreneur and doing nothing. This is because the passive entrepreneurism defeats the purpose several state legislations and other policy initiatives meant to benefit the women entrepreneurs. In this way the capital assistance provided by the financial Institutions through women specific programmes eventually reach the unintended beneficiaries namely the male entrepreneurs.

Though there are many factors like socio-cultural practices, traditions and customs, physical weakness and mother hood issues besides insecure feeling affect the entry of women into entrepreneurial activities, there are a few serious issues that keep women as passive entrepreneurs in their own business ventures.

There are several problems that tend to make women passive entrepreneurs in their businesses. The major ones being:

**1. Conventional Misbelief:**

There is a general perception in the male dominated society that women cannot be successful in business ventures. This preconceived notion in the society make women feel inferior and shun away from business initiatives. In many instances such misconceived notion are falsely believed to be real and women are not allowed to be the boss of their own business.

**2. Lack of Education:**

In comparison to men the literacy level of women is lower in many of the Indian states. Inadequate literacy typically forces women into a marital life at younger age. This situation makes them dependent on the male members of the family. The low literacy level also prevent women from understanding and assimilating new technologies, new methods of production, marketing techniques and financial management techniques necessary for successfully managing the modern day business challenges.

**3. Limited Risk Bearing Ability:**

Due to the discriminatory nature of laws concerning property rights, women in Indian families often get negligible share in the ancestral properties of the family. This discriminating practices make women financially vulnerable and male dependent. Poor financial support and lack of independence often deprive women of financial resource necessary for providing collateral securities to financial Institutions for availing loans. Cumulatively all these factors make women remain passive and dormant in their own business ventures.

**4. Restricted Mobility:**

The mobility among women in India is often restricted due to the social customs, cultural taboos, women's inability to operate vehicles in certain cases and lastly the inherent desire of women to stay at home. The restricted mobility often prevents women from undertaking dynamic role in the management of businesses. These Safety and law and order related concerns prevent women from undertaking business related trips as frequently as men can do.

**IV. CONCLUSION**

In the fast changing Indian business scenario, it is impossible for the society to unutilize or under-utilize the entrepreneurial skills of women for too long. Most notions concerning women vis-à-vis the entrepreneurial activity are either misplaced or vastly exaggerated. A forceful and effective intervention from the government is need of the hour. It is an imperative for the Governments and the financial Institutions to ensure that women are the ultimate and real beneficiaries of all women specific programmes and this would require periodic and purposeful inspections and interventions by the financial institutions offering capital. This effort is necessary to ensure that women entrepreneurs are actively engaged in the management of day-to-day affairs of the business. Besides, women should also be educated about their rights and privileges. Finally, Women must also be taught to have self-belief necessary to prevent passive entrepreneurship.

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