

FINANCIAL EMPOWERMENT OF WOMEN ENTREPRENEURS – A BRIEF STUDY WITH SPECIAL REFERENCE TO DIBRUGARH DISTRICT, ASSAM

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ABSTRACT

Women owned businesses are highly increasing in the economies of almost all countries. The hidden entrepreneurial potentials of women have gradually been changing with time to the role and economic status in the society. Skill, knowledge and adaptability in business are the main reasons for women that have helped them in overcoming all the barriers and emerge themselves into business ventures. Finance is the one thing for which they opt for building their career as independent entrepreneurs. Financial Empowerment is a new approach to poverty reduction that focuses on improving the financial security of low-income people. With the advent of knowing the financial performance and the respective status of the women entrepreneurs, an attempt has been made to study and analyse the relative facts, considering the entrepreneurs as operating their business in the various areas of Dibrugarh District of Assam. The paper also aims to bring out about the financial sustainability of woman entrepreneurs in the market and the problems faced by them when they set up and managed their own businesses in the competitive world of business environment.

Key words: *Financial empowerment, financial status, Women entrepreneurs, performance, sustainability, competition.*

INTRODUCTION

A true notion comes every time that ‘a woman has a supreme power’. It is indeed true when we can see the activity a woman performs is really incomparable to their male counterparts. Dibrugarh has been a place of such qualities of women having some such empirical powers, which comes out true when their entrepreneurial activities are being taken into focus who have come out to help their soul mates to maintain their standard of living. However, Finance is the life-blood of all economic activities. In such situations, self-investment sometimes does not become much prone towards success. A number of financial institutions have come out and has been lending their inbuilt services to their respective customers. A number of finance programs have urged on a significant potential for contributing to women’s economic, social and

political empowerment. Financial development among the people has emerged as major strategy to combat the twin issues of poverty and unemployment that continue to pose a major threat to the polity and economy of both the developed and developing countries. As education has spread and compulsions for earning have grown, more and more women have started to go out of their homes and opt either for wage employment or self-employment or entrepreneurial career.

Women owned businesses are highly increasing in the economies of almost all countries. The hidden entrepreneurial potentials of women have gradually been changing with the growing sensitivity to the role and economic status in the society. Skill, knowledge and adaptability in business are the main reasons for women to emerge into business ventures. 'Women Entrepreneur' is a person who accepts challenging role to meet her personal needs and become economically independent. A strong desire to do something positive is an inbuilt quality of entrepreneurial women, who is capable of contributing values in both family and social life. With the advent of media, women are aware of their own traits, rights and also the work situations.¹

An entrepreneur is one who undertakes to organize, manage and assume risk of business². Coping out to continuous entrepreneurial practices, an entrepreneur learns to behold some exclusive features of being opportunistic in life, maintaining a clear visionary towards the future adapting to all the situations out of their urge to do things differently in order to differentiate themselves from competitors or to develop something new.

FINANCIAL EMPOWERMENT AND WOMEN ENTREPRENEURS

Financial Empowerment is a new approach to poverty reduction that focuses on improving the financial security of low-income people. It is an evidence-driven set of interventions that have proven successful at both eliminating systemic barriers to the full financial inclusion of low-income people and providing enabling supports that help them to acquire and practice the financial skills and behaviour that tangibly improve their financial outcomes and build their financial security. Women as entrepreneurs can be said to be a person who accepts challenging role to meet her personal needs and become economically independent. A strong desire to do something positive is an inbuilt quality of entrepreneurial women who is capable of contributing values in both family and social life. Financial literacy of the entrepreneurs helps them in having the knowledge, skills and ability to understand, analyze and use information to make informed financial decisions. The means to get informed towards such financial decisions includes maintaining of simple budgeting procedures; understanding bank accounts and common bank services; using loans and credit cards sensibly; managing and paying down debt; and how to effectively save for important purchases, rent requirements, home-ownership, education or retirement.

Women entrepreneurs may be defined as the women or group of women who initiate, organize and operate a business enterprise. Like a male entrepreneur a women entrepreneur has many

functions. They should explore the prospects of starting new enterprise; undertake risks, introduction of new innovations, coordination administration and control of business and providing effective leadership in all aspects of business.³ A greater role for women also enhances diversity, which can be valuable for a firm's performance in an increasingly complex world, enabling it to draw on diverse perspectives to solve problems, take decisions, and enhance leadership. This is important both at board level and other levels of decision making. More women in leadership positions can have a positive trickle-down effect, easing in more inclusive workplace cultures and providing younger women with role models and mentors.

The Financial Empowerment with respect to women entrepreneurs approach focuses on community level strategies that encompass five main types of interventions that have been identified as both necessary for low-income households to improve their financial outcomes, and effective at helping them to do so, which are as:

1. The entrepreneurs need to be well equipped of the financial Information education and counseling and thereby making ends meet.
2. Help accessing income boosting benefits and tax credits and keep well with the track.
3. Choosing the Safe and affordable financial products and services, which includes the well equipment of fixed assets, the working capital and other financial instruments.
4. Access to savings and asset building opportunities to look at what strengths ("assets") they already possess to enhance them and develop what is lacking and needed.
5. The entrepreneurs should be aware of the various Consumer awareness and protection programmes to stay informed and getting help.

REVIEW OF LITERATURE

Leherer Sara (1981) studied the effects of a women's conference on participants attitude towards women's role in society .It was observed that the conference did not make much effect on changing the attitude of participants towards women's role in the development of society. The perception about women in the past has cajoled them to think in the direction of other people .Women has realized their own potentials as entrepreneurs but they need the encouragement from the state. The environment for women entrepreneurs to bloom can be created by the government through policies designed for women entrepreneurs.³

John Gladis Mary (2008) has analyzed various concepts like micro planning, empowerment of women, women in SHGs in his article "Women Empowerment through Self Help Groups". He also found that self-employment through Self Help groups have increased the earning capacity and economic independence and gave an important place in the decision making process within the families. They got more courage to go out and interact with others. More awareness should

be given to all women about their role in family and society by conducting meetings and training programs.⁴

Chalapathi, B.V. (2008) says that women empowerment means not just economic independence and it is much more than that. When women are economically independent, they can progress well in different spheres of life. Investment is also part of empowerment and women are being provided loans for investment in his article "Gender Equality Empowerment of Women". He was also given suggestions that the economic component requires that women have access to and control production resources thus ensuring same degree of financial annoy.⁵

PROFILE OF DIBRUGARH DISTRICT

Dibrugarh is an administrative district in the state of Assam. It is situated in the southern bank of the Brahmaputra River. Dibrugarh town is the headquarter of Dibrugarh district, Assam. It is one of the important cities in the state of Assam. It is situated on the banks of the Brahmaputra River, about 435 kilometers, north-east of Guwahati. Dibrugarh district is surrounded by Dhemaji district in the north and a part of Lakhimpur district in the north-west, part of Sivasagar district to the west and Tinsukia district in the East. The towns of the Dibrugarh District are Dibrugarh, Chabua, Naharkatia, Duliajan and Namrup.

OBJECTIVE OF THE STUDY

- To examine the financial profile of the entrepreneurs.
- To identify the capital expenditure decisions made by the entrepreneurs.
- To find the regularity of working capital management of the women entrepreneurs.
- To identify the financial constraints faced by the women entrepreneurs.
- To provide necessary suggestions on the financial aspect.

RESEARCH QUESTION

1. Whether the financial aspects of women entrepreneurship are in the right direction or not.
2. Whether the standard of living of the entrepreneurs have developed or not.

RESEARCH METHODOLOGY

The area selected for data collection for the study is the urban areas of Dibrugarh District. We have found a number of women entrepreneurs dealing in various kinds of activities. The study being analytical in nature focuses on both the qualitative and quantitative aspects of the financial activities.

Data has been collected from both Primary as well as Secondary sources.

Primary data has been collected with the help of Unstructured Interview methods by interviewing the respondents. While collecting the data, the method of Convenience Sampling has been used for survey. Secondary data has been collected from the records obtained from the DICC (District Industry and Commerce Centre) office situated in Milan Nagar area of the Dibrugarh town and sources of procurement includes Journals, Magazines, Periodicals, Books, Published Research Articles and website sources.

TABLE 1.1: Showing women entrepreneurs employed in different activities along with their years of Registration in DICC from 2008 to 2015 under the PMEGP Scheme:

NATURE OF BUSINESS	2008	2009	2010	2011	2012	2013	2014	2015	TOTAL
TAILORING	3	1	3	4	6	3	1	3	24
READYMADE GARMENTS	-	-	3	-	-	2	2	-	7
BEAUTY PARLOUR	2	1	1	2	1	2	1	1	11
TEA STALL AND RESTAURANT	-	-	-	2	2	1	-	1	6
FOOD PROCESSING	1	-	1	1	-	-	-	-	3
XEROX CENTRE	-	1	-	2	-	-	1	-	4
INTERNET	-	1	-	-	1	-	-	-	2
BAKERY UNIT	-	-	1	-	-	-	-	-	1
CRASH AND DISPLAY	-	-	-	-	1	-	-	-	1
DTP CENTRE	-	1	1	-	-	-	1	1	4
CUTTING AND EMBROIDERY CENTRE	1	-	1	1	-	-	-	-	3
JUTE BAG MANUFACTURING	1	-	-	-	-	-	-	-	1
LADIES GARMENT	-	1	-	-	-	-	-	1	2
TOTAL	8	6	11	12	11	9	5	7	69

Source: Records from DICC

Keeping the hobbies and passing of time, many women of the area have come forward by opening up various enterprises, while many of them have come forward with the intention of earning money. For this purpose the very first step they have to do is to register themselves at the DICC, from where they receive the required training from time to time and the short term offers

the Government give to the deserving enterprises. Moreover, the DICCC also facilitates them with the minimum finances at frequent intervals which come in the form of schemes.

Generally, the women entrepreneurs who register their names in the office of DICCC are given the PMEGP scheme for setting up of project costing above Rs. 5 lakh in the business /service sector and Rs.10 lakh in the manufacturing sector and above.

ANALYSIS AND INTERPRETATION

Different tables are shown to depict the different financial features faced by the women entrepreneurs.

TABLE 1.2: FINANCIAL PROFILE OF THE ENTREPRENEURS

NATIONALISED BANKS	HELP OBTAINED	FRIENDS AND RELATIVES	HELP OBTAINED	OWN CAPITAL	HELP OBTAINED
Allahabad Bank	8	Father/Mother	12	Breaking Of Bank Accounts	14
Assam Gramin Vikash Bank	19	Husband	9	Insurance Policies	3
Central Bank	8	Private Money Lenders	NIL	Other ways	52
State Bank Of India	13	Other Relatives	3		
UCO Bank	9	No help	45		
United Bank Of India	6				
Others	6				
TOTAL	69		69		69

Source: Field Survey

It was found that majority of the entrepreneurs were in the age of 30 years and 40 years. Majority of the entrepreneurs are of higher Secondary level (40%) and graduates. No entrepreneurs are found having the qualification with post-graduation. Initially, they have established themselves as entrepreneurs by taking help from banks, friends and relatives and other reliable sources, both registered as well as unregistered. It is a primary function of an entrepreneur to mobilize

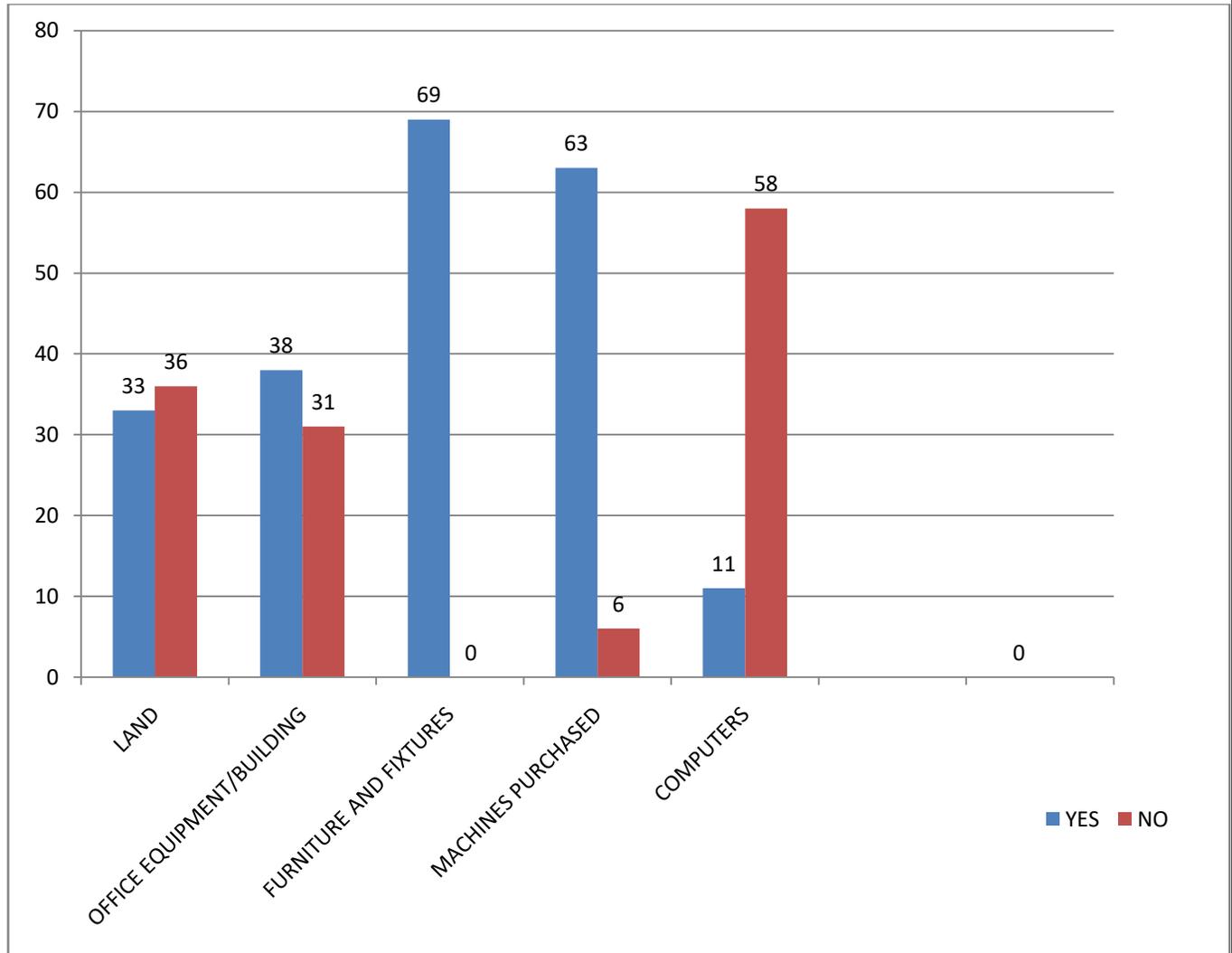
adequate finance from the most economical sources because she has to pay interest on the money borrowed from any financial institutions, banks, co-operatives credit societies, private money lenders and even on the borrowings from friends and relatives. As such, she has to bear in mind the cost of borrowings and returns on investment. It is beneficial to keep the cost of borrowings as low as possible. Hence, an entrepreneur has to identify the sources which will facilitate her with low interest rates.

TABLE 1.3 : TABLE SHOWING INITIAL INVESTMENT

INITIAL INVESTMENT	NO. OF RESPONDENTS	PERCENTAGE
Less than 10,000	-	-
10,000 – 1,00,000	27	39.13
1,00,001 – 2,00,000	23	33.33
2,00,001 – 300,000	14	20.28
3,00,001 – 4,00,000	4	5.79
4,00,001 – 5,000,000	1	1.44
TOTAL	69	100

SOURCE: FIELD SURVEY

Among the women entrepreneurs surveyed no entrepreneurs have started their business by initial investment of less than Rs.10,000 which is followed by 39.13 percent for investment of Rs. 10,000-1,00,000. Again 33.33 percent have opted for investing Rs. 1,00,001-2,00,000, which is followed by 20.28 percent for investing Rs. 200,001-3,00,000 and 5.79 percent for investing Rs. 3,00,001-4,00,000 and finally only 1.44 percent for Rs. 4,00,001-5,00,000. So it can be said that either most of the entrepreneurs were not willing to take risk by investing big amounts or they had financial constraints when starting their business.

TABLE 1.4 CAPITAL EXPENDITURE DECISION**SOURCE: FIELD SURVEY**

It is well known to us that investing in Capital expenditure item, which gives us the benefit for an indefinite period of time are the main ingredient for any business enterprise. For a women entrepreneur, starting from the establishment of a unit, purchase of furniture, machines and other long term purpose equipments are the capital expenditure items. Proper analysis has been detailed out in the above table.

LAND: From the above table, the researcher found that for the capital expenditure items, out of 69 entrepreneurs 33 entrepreneurs had spent money for acquiring land while the remaining 36 were operating their business on rented lands.

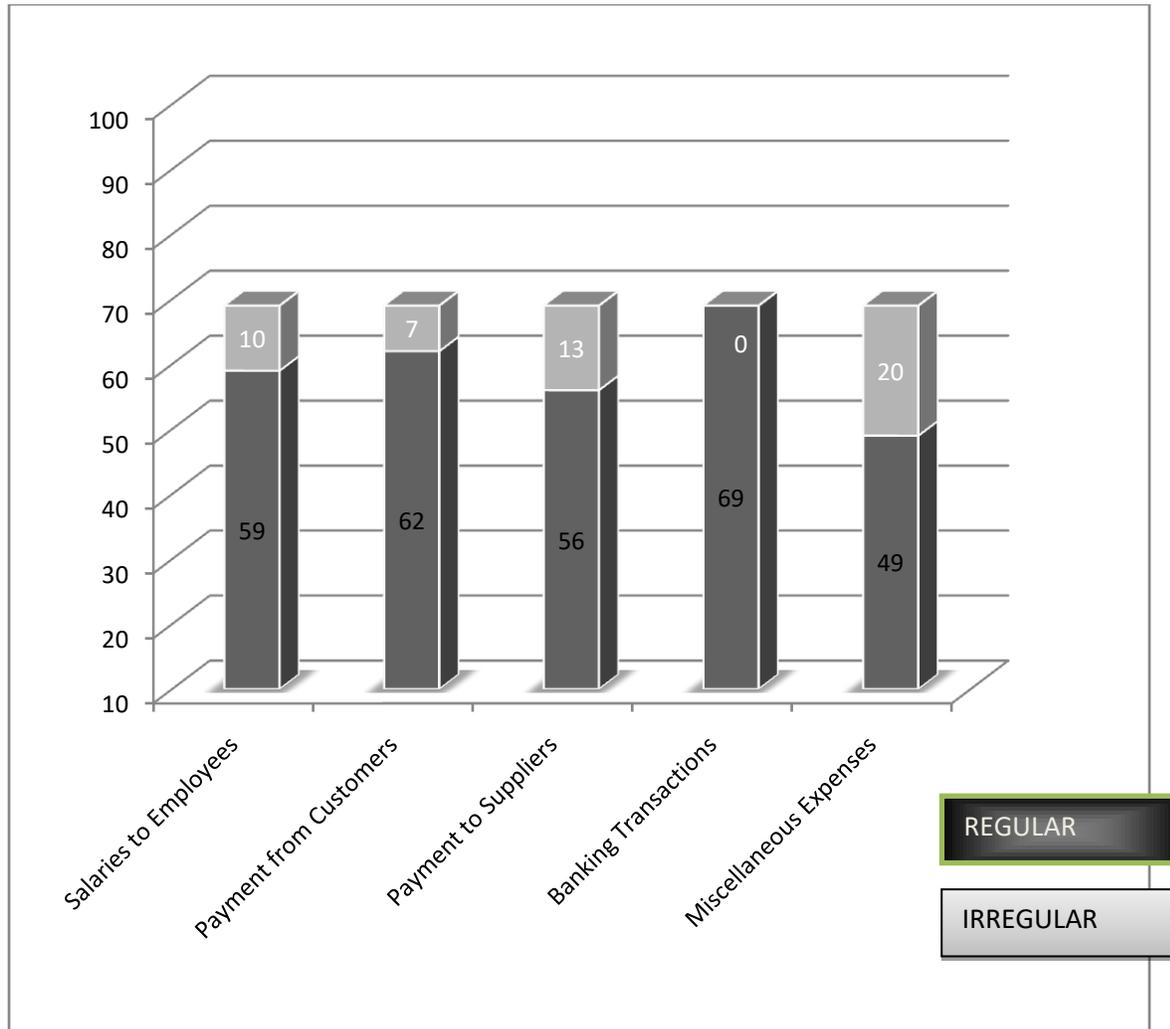
BUILDING: Again 38 entrepreneurs had their own office building to which some of them had opened their office in their own houses or in relatives' houses while the other 31 entrepreneurs are doing business in rented buildings.

FURNITURES: All the 69 entrepreneurs were seen to have their own furniture for business operations which includes tables, normal as well as spinning chairs, mirrors, bed, etc.

MACHINES: Machines include sewing machines, beauty Parlour equipments, rice mill machine, Xerox machines, computers and other such equipments to which 63 of them own while the remaining 6 are the tea stalls that own the gas stove and other such amenities which are considered to be assets but not machines.

COMPUTERS: Again the Xerox centres and the internet cafes and some rice mills which include 11 of them are the ones that use computers while the remaining 58 do not own computer for business purpose but own some which they use for both business and personal use.

TABLE 1.5 : WORKING CAPITAL MANAGEMENT



SOURCE: FIELD SURVEY

The above table depicts the regularity and the irregularity of working capital management of the entrepreneurs. Payment of salaries to workers has both positive as well as negative responses as 59 of them have regular payments while the other 10 are irregularly paid. Frequent payments from customers are also regular to 62 of the entrepreneurs while there is some sort of credit system among the remaining 7 entrepreneurs. Again payment to suppliers are being regular to 56 entrepreneurs while remaining 13 are not regular in paying to the suppliers. All the 69 entrepreneurs are well accustomed with banking transactions and have a valid bank account. Payment toward miscellaneous expenses are the extra expenses that happens to a business like payment of refreshments to guest, payment to beggars and so on to which 49 said that they

happen to pass by such kind of activities while the remaining 20 said that they somehow tackle over such kind of activities.

FINANCIAL CONSTRAINTS

- 1. Limited financial awareness and understanding of financial products and services:** Women lack knowledge about available finance options, advantages and disadvantages and cost of various options, benefits of borrowing, etc. This lack of knowledge generates reluctance among the entrepreneurs to access finance from formal channels.
- 2. Lack of confidence or hesitation to approach financial institutions:** Women entrepreneurs tend to have less experience with banking institutions as they feel awkward to approach a bank. Poor financial literacy often translates into inadequate accounting and financial management functions.
- 3. Lack of reliable information:** Lack of information about financial management and empowerment makes the women entrepreneurs less attractive to financiers. Due to lack of knowledge of different financial terms, women owned enterprises do not always maintain the necessary financial documents in the required format, which makes them less attractive towards financial institutions.
- 4. No sense of competition:** Mostly widows and divorcees in case of tailoring can be seen, who in the need of feeding their family owns up to doing business, so the sense of competition is not seen much. Once registered, the entrepreneurs become busy with their works. Hence, they rarely come to the office, for which they are not aware about the latest schemes given by the Government.
- 5. No urge of profits:** In most businesses it is seen, instead of keeping employees, employment of relatives and other such members is done, where sometimes the profit sharing ratio does not remain intact. In the times of Bihu and Puja, the local festivals of Assam, the employees are given bonus and gifts, which make them happy.
- 6. Rough knowledge of business:** Lack of knowledge of the market of the entrepreneurs. As such no proper books of accounts are maintained. Moreover; the entrepreneurs hesitate to enter into the difficulties of financing and other banking activities.
- 7. Lack of Working Capital:** In some cases, to be women and to do something on their own becomes quite difficult for them because of lack of access to funds as women do not possess any tangible security and credit in the market. Before marriage she has to depend on father and after marriage she has to follow the footsteps of the husband. As such, women do not enjoy the right over the property of any form and they have limited access over external sources of funds, even getting loans from either a bank or financial institution becomes exceedingly difficult.

SUGGESTIONS

1. Women entrepreneurs should be vary calculative in selecting the sources of finance and should have fair knowledge of classifying all the sources of finance regarding which will provide benefit most in the long run.
2. Only workshop and different types training is not sufficient, it must be reviewed that they are really benefited or not. The government should propose and execute comprehensive initiatives and policies for the welfare of women entrepreneurs. Regular Entrepreneurship Development Programmes should be held to motivate them.
3. They should participate in any programs related to skill based and proper management of resources.
4. Women entrepreneurs should be given proper knowledge of budgeting, expenditure planning and also proper accounting.
5. Encourage them to take loan from bank but not from the money lenders.
6. Aware those of the different types of schemes available from Government sources.
7. They require marketing support.
8. Promoting and advertising activity are needed.
9. We have also surveyed some other women entrepreneurs, from whom we have come to know that some of them don't know much about DICCC and the offers given by them. So, we would like to suggest that from time to time, DICCC should conduct surveys and find out those. It may be seen that they are either reluctant or they think to do it at a later period of time, ultimately not done.

The study has brought into light many factors such as the entrepreneurs are the hard workers of the society and good income earners. However, certain factors such as lack of experience and knowledge, non-availability of modern machines, lack of financial awareness and knowledge, proper understanding of the reliable sources of financial information proves that the financial aspects although are been overcome by the women entrepreneurs, yet have to work harder to improve their financial abilities in the long run. Breaking the barriers they have tackled all the obstacles and relatively we can draw the conclusion in context to the research questions of the study that the financial aspects of some of the women entrepreneurs have proceeded in the right direction while some are still lagging behind in establishing themselves in the financial background. As a result, in the modern competitive world, their financial status and the standard of the living have developed in the due course of time.

CONCLUSION

The changed business environment in the recent past has widened the role of a women entrepreneur. The increasing pace of industrialization, rise of larger scale units, innovations and intense competitions, etc. have increased the need of financial planning and control. Today, many women have come out to be successful in life, but the only hurdle that comes in its way is lack of finance. Since women's empowerment is the key to socio economic development of the community; bringing women into the mainstream of national development has been a major concern of government. At present our women entrepreneurs face various challenges like lack of finance, infrastructure, favourable environment and more importantly knowledge of financial management which are the keys to the success of an enterprise. If these elements could be injected into the present entrepreneurial system, they can be one of the major players of the economic development of the state.

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