

“Women as Entrepreneurs in India”

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Abstract: India has been men-dominated country. But, time is changing now. Women in India have outraged the fact that since hundreds of years they had been following the orders of men. They now know their rights and duties and with the spreading awareness amongst the women they are now no less than the men. They are walking with men at the same pace in every field. Following this latest trend, women are no less and backward anymore. In today's world, women entrepreneurs are playing vital role and they have become important part of the global business environment and it's important for the sustained economic development and social progress. In India, though women are playing key role in the society, but still their entrepreneurial ability has not been properly tapped due to the lower status of women in the society. The main purpose of this paper is to find out the status of women entrepreneurs in India. This paper includes rationale grounds behind the women entrepreneurship. Analyze policies of Indian government for women and analyze those policies adequate for the growth of women entrepreneurship is another main purpose of this paper. Main reasons for women to become an entrepreneur, the institutions that are serving the women to put their views into action are also included in this study. Basis of this study some suggestions are to provide Facility and given encourage spirit of women entrepreneurship to become a successful entrepreneur.

Keywords: women entrepreneurs, global business environment, entrepreneurial ability, successful entrepreneur.

1. INTRODUCTION

A Woman Entrepreneur means Logic towards independent decision making on their life and career is the motivational factor behind this insists on "Women Entrepreneur" is a person who accepts challenge to meet her 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.

Many women have established their own economy i.e., entrepreneurial empire and are now ruling their world as they wished to.

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 Entrepreneurs may be define as the woman or a group of women who commence and operate a business venture.

Like a male entrepreneur a Woman entrepreneurship is the process in which women initiate a business, gather all resources, undertake risks, face challenges, gather information provides employment to others and manages the business independently and using their skills . Approximately 1/3rd of the entrepreneurs in the world are women entrepreneurs.

According to the Government of India – “A women entrepreneur is defined as an enterprise owned and controlled by woman having a minimum financial interest of 51% of the capital and giving at least 51% employment generated in the enterprise to women”

Women Entrepreneurship refers to business or organization started by a woman or group of women. There has been a change a role of women due to growth in education, urbanization, industrialization and awareness of democratic values.

Women Entrepreneurs are highly increasing in the economies of almost all countries.

The hidden business potentials of women have been increasing with the growing sensitivity to the role and economic status in the society.

The knowledge, Skills, compliance in business are the core reasons for women to come forward into business ventures.

Industries promoted by Women Entrepreneurs:

- Agarbatti making
- Papad making
- Embroidery
- Handicrafts
- Catering services
- Running restaurant, snack bars etc.
- Small retail shops
- Beauty parlors
- Pickle manufacturing etc.

Women entrepreneurs can be broadly categorized into five categories:

- ◆ **Affluent entrepreneurs** – These are daughters and wives of wealthy businessmen.
- ◆ **Pull factors** – These are educated women living in urban areas with or without work experience who take the risk of a new enterprise and These women take up a new business as a challenge to be financially independent and in push factor women take up some business activity to overcome financial difficulties.
- ◆ **Push factors** – These are widows and single women manage an existing family business or develop a new business due to difficult family situations.
- ◆ **Rural entrepreneurs** – These women belong to rural areas and choose a business suiting their resources and knowledge. Business carried out involves low investment, minimum risk and does not require any special skills.
- ◆ **Self-employed entrepreneurs** – They are uneducated women who fall below the poverty line. They choose tiny and small enterprise which are convenient to manage and adequate for the sustenance of her family.

OBJECTIVES OF THE STUDY:

- ✓ To find out the factors which encourage women to become entrepreneurs?
- ✓ To study the support given by the government to women entrepreneurs.
- ✓ To study the Organizations promoting women entrepreneurs.
- ✓ To examine the obstacles faced by women entrepreneurs.
- ✓ To financial support Financial assistance and consultancy services provided by financial institutions
- ✓ To draw conclusions and offer suggestions

2. LITERATURE REVIEW

Damwad, (2007), describes the experiences, initiatives & obstacles faced at five Nordic countries like Finland, Denmark, Iceland, Norway & Sweden towards women entrepreneurship. It broadly identifies few obstacles like financing, lack of knowledge & skills in business life, markets & entrepreneurial activity, work life balance including lack of growth & wishes to grow and most importantly women as other groups are heterogeneous.

The study compares early stage entrepreneurial male & female activity among Nordic countries with the same of USA. It also compares programmer & schemes developed by Nordic countries & agencies that provide support to them. OECD &

European Commission are focusing on methodologies in analyzing quantitative & qualitative women entrepreneurship. The Nordic countries need a framework for policy learning developed a proper policy mix towards promoting women entrepreneurship.1.

V Krishnamoorthy and R Balasubramani (April 2014), identified the important women entrepreneurial motivation factors and its impact on entrepreneurial success.

The study identified ambition, skills and knowledge, family support, market opportunities, independence, government subsidy and satisfaction are the important entrepreneurial motivational factors. The study also concluded that ‘ambition’, ‘knowledge and skill’, ‘independence’ dimensions of entrepreneurial motivational has significant impact on entrepreneurial success.2.

G. Palaniappan, C. S. Ramanigopal, A. Mani (19 March 2012) in their article analyzed that women have been successful in breaking their barriers within the limits of their homes by entering into varied kinds of professionals and services.

Skill, knowledge and adaptability in business are the main reasons for women to emerge into business ventures. This study had also been carried out to analyze the motivational factors and other factors that influence women to become entrepreneurs, the major strength and weakness of women entrepreneurs and the environmental opportunities and threats which promote the entrepreneurship, and to offer suggestions to promote women entrepreneurship of selected districts in Tamilnadu. This study concluded that due to lack of training and education they not able to survive in the market. Finance is also the major problem for women entrepreneurs.3.

Anita Tripathy Lal’s(November 15, 2012)main objective of this research was to study the significant rise of Women Entrepreneurs in India and how it has evolve since the pre-independence days (before 1947), during the British colonial days. The study also analyzed the reasons that have prompted the women entrepreneurs to unleash their entrepreneurial energies into start-ups. Based on both qualitative and quantitative analyze the growth of women entrepreneurship in India have been studied into four different periods - Pre-Independence Period (before 1947), Post-Independence Period (after 1947), Post-Liberalization Period and Post -Global Recession period (2008 onwards). The study finally concluded to what extent the various support systems in India can further foster a conducive ecosystem for the Women Entrepreneurs in India.4.

Cohon, Wadhwa and Mitchell (2010) presented a detailed exploration of men & women entrepreneur’s motivation and experience. This study identified top five financial and psychological factors motivating women to become entrepreneurs. These are desire to build the wealth, the wish to capitalize own business ideas they had, the appeal of startup culture, a long standing desire to own their own company and working with someone else did not appeal them. The study concluded that the women are much concerned about protecting intellectual capital than their counterpart. Mentoring is important to women, which provides encouragement & financial support of business partners, experiences & well developed professional network.5.

Greene et.al. (2003), evaluate the research & publication contribution in the area of women entrepreneurship. The study categorized various journals & resources of research on the basis of certain parameters concerned with women entrepreneurship like gender discrimination, personal attributes, financing challenges, business unit, context and feminist perspectives.6.

3. WOMEN ENTREPRENEURSHIP

Women entrepreneurship’ is like a discipline for a child that begins at home. Women have been entrepreneurs in different ways. A house wife is an entrepreneur as she manages her time, strategy, plans on ways to secures her children’s future, passionate about her home and family and wears so many more different hats for a successful life. This has adversely affected the status of Indian business women.

Today, we have given it a name “Entrepreneur” as she steps out into the arena. In today’s world, women have scaled greater heights in different industries.

Women entrepreneurs have to find a balance economically and financially both, home front and career. It is always a great idea to be active and inculcate a habit to be part of local networks of women entrepreneurs. This helps to enhance the role of women entrepreneurship, where their self owned business involves directly the policy makers at local, regional and national levels.

Women play important role in every aspect of life thereby needs a great balance between work, personal life, family life and social life.

The main reason for most start-ups and entrepreneurial ventures to fail are the operational costs and overheads thereby directly affecting sustainability.

Women entrepreneurship has been recognized as an important source of economic growth. By establishing their new venture women entrepreneurs generate new jobs for themselves and others and provide society with different solutions to management, organization and business problems. They still represent minority as women entrepreneurs, especially in India. Women entrepreneurs often face gender-based barriers to starting and growing their businesses, like discriminatory property, matrimonial and inheritance laws and/or cultural practices; lack of access to formal finance mechanisms limited mobility and access to information and networks, etc. Women's entrepreneurship can make a particularly strong contribution to the economic well-being of the family and communities, poverty reduction and women's empowerment. Governments across the world as well as various developmental organizations are actively assisting and promoting women entrepreneurs through various schemes, incentives and promotional measures. The past few decades women are coming out of the boundaries of houses and proving their ability and competencies in the business world. Today the roles of women are not confined to the traditional role of a mother or a housewife. The role of modern women is much wider than, what it was previously.

4. REASONS FOR WOMEN TO BECOME ENTREPRENEURS

Reasons for growth of Women Entrepreneurship:

- Growth in Literacy level
- Industrial and economic growth
- Awareness of democratic values
- Organizations promoting women entrepreneurship
- Financial assistance and consultancy services provided by financial institutions
- recognition, Self determination, and career goal are the key drivers for choosing to entrepreneurship by women .

Sometimes, women choose such career path for proving their potential, caliber in order to achieve self satisfaction. However, dismal economic conditions of the women arising out of unemployment in the family and divorce can compel women into entrepreneurial activities.

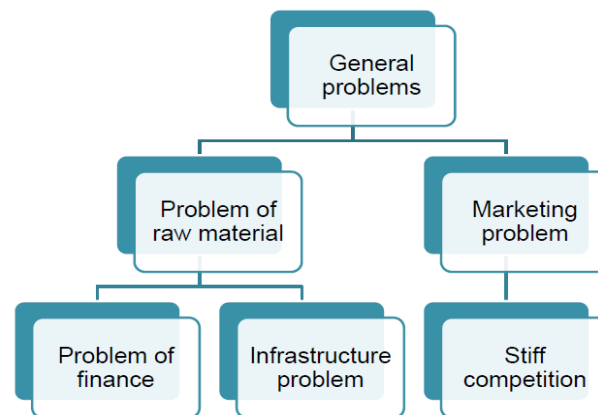
The days have gone when women always passed her whole life within the boundaries of house now women are found indulged in every line of business. The entry of women into business in India is an extension of their normal home activities. But with the spread of education and passage of time women started shifting from doing work at home or kitchen to the business venture. 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. The challenges and opportunities provided to the women of digital era are growing rapidly that the job seekers are turning into job creators. Many women start a business due to some traumatic event, such as divorce, discrimination due to pregnancy or the corporate glass ceiling, the health of a family member, or economic reasons such as a layoff. But a new talent pool of women entrepreneurs is forming today, as more women opt to leave corporate world to chart their own destinies. They are growing as designers, interior decorators, exporters, publishers, garment manufacturers and still exploring new avenues of economic participation.

5. OBSTACLES IN THE PATH OF WOMEN ENTREPRENEURS IN INDIA

In India Highly educated, talented and professionally qualified women should be encouraged for running their own business, rather than reliant on wage service jobs. The uncharted talents of young women can be acknowledged, skillful and used for various types of industries to increase the yield in the business sector. A desirable atmosphere is necessary for every woman to inculcate entrepreneurial values and involve greatly in business dealings. But Women in India are

faced many problems to get ahead their life in business. The basic problem of a woman entrepreneur is that she is a woman. Women entrepreneurs face two sets of problems specific to women entrepreneurs. A few problems can be detailed as;

- **Short of Finance:-** Women and small entrepreneurs always suffer from inadequate fixed and working capital. Owing to lack of confidence in women's ability, male members in the family do not like to risk their capital in ventures run by women. Banks have also taken negative attitude while lending to women entrepreneurs. Thus women entrepreneurs rely often on personal saving and loans from family and friends.
- **Short Of Self-Confidence:-** In India women have lack of self-confidence in their strength and ability. The family members and the society are unwilling to stand beside their organizational growth. To a certain degree, this situation is changing with Indian women and yet to face an incredible amend to boost the rate of growth in entrepreneurship.
- **Shortage of Raw Material:-** Women entrepreneurs find it difficult to procure material and other necessary inputs. The prices of many raw materials are quite high.
- **Insufficient Marketing Facilities:-** Most of the women entrepreneurs depend on intermediaries for marketing their products. It is very difficult for the women entrepreneurs to explore the market and to make their product popular. For women, market is a „chakravayuh“.17
- **High Competition:-** Women entrepreneurs face tough competition from male entrepreneurs and also from organized industries. They cannot afford to spend large sums of advertisement.
- **High Cost of Production:-** High prices of material, low productivity. Under utilization of capacity etc. account for high cost of production. The government assistance and subsidies would not be sufficient for the survival.
- **Family Responsibilities:-** Management of family may be more complicated than the management of the business. He nice she cannot put her full involvement in the business .Occupational backgrounds of the family and education level of husband has a direct impact on the development of women entrepreneurship.
- **Shortage of Mobility:-** One of the biggest handicaps for women entrepreneur is her inability to travel from one place to another for business purposes. A single women asking for room is looked upon with suspicion. Sometimes licensing authorities, labour officials and sales tax officials may harass them.
- **Education Problem:-** About 60% of women are still illiterate in India. There exists a belief that investing in woman's education is a liability, not an asset. Lack of knowledge and experience creates further problems in the setting up and operation of business.
- **Capacity to Bear Risks is low:-** Women lead a protected life dominated by the family members. She is not economically independent. She may not have confidence to bear the risk alone. If she cannot bear risks, she can never be an entrepreneur.
- **Social Attitudes:-** Women do not get equal treatment in a male dominated society. Wherever she goes, she faces discrimination. The male ego stands in the way of success of women entrepreneurs. Thus, the rigid social attitudes prevent a woman from becoming a successful entrepreneur.
- **Training Programs:-** A women entrepreneur from middle class starts her first entrepreneurial venture in her late thirties or early forties due to her commitments towards children. Her biggest problem is the lack of sufficient business training.
- **Shortage of information:-** Women entrepreneurs sometimes are not aware of technological developments and other information on subsidies and concessions available to them. They may not know how to get loans, industrial estates, raw materials etc.
- **Financial Assistance:** - most of the women especially in rural areas are not aware about the financial assistance provided by various institutions. The efforts taken for women entrepreneurs may not able to reach the entrepreneurs in rural and backward areas.



6. SCHEMES FOR PROMOTION AND DEVELOPMENT OF WOMEN ENTREPRENEURS

Women Entrepreneurs can be seen everywhere in the startup-up ecosystem of India. Women too are seen leaving their high-profile jobs as well as some stepping out of the four walls of their homes and joining the pool of Entrepreneurship in India. The major factor to jumpstart the entrepreneurial journey is capital and various banks offer specialized loans for women entrepreneurs that have slightly different and more flexible set of terms and conditions pertaining to collateral security, interest rates, etc.

According to the Third All India Census of Small Scale Industries conducted in 2001-02 and subsequent estimates made, only 10.11% of the Micro and Small Enterprises in India are owned by women while 9.46% of the MSME enterprises are managed by women.

In order to promote progressively women enterprises in the MSME sector, various schemes have been formulated by this Ministry and some more are in the process of being finalized, aims only at the development of women enterprises in India. Now it is small, medium and large enterprise.

Here is a list of various schemes and loans exclusively for women that aim at promoting and easing out the process for them –

Significant schemes in India those specifically introduced for women for providing special benefits to women:

1. Annapurna Scheme:

This scheme is offered by the State Bank of Mysore for those women entrepreneurs who are setting up food catering industry in order to sell packed meals, snacks, etc. The amount granted as a loan under this scheme can be used to fulfill the working capital needs of the business like buying utensils and other kitchen tools and equipment. Under this loan, a guarantor is required along with the assets of the business being pledged as collateral security. Further, the maximum amount of money that is granted is ₹50,000 which has to re-paid in monthly installments for 36 months, however, after the loan is sanctioned, the lender doesn't have to pay the EMI for the first month. The interest rate is determined depending upon the market rate.

2. Street Shakti Package For Women Entrepreneurs:

This scheme is offered by most of the SBI branches to women who have 50% share in the ownership of a firm or business and have taken part in the state agencies run Entrepreneurship Development Programmers (EDP). The scheme also offers a discounted rate of interest by 0.50% in case the amount of loan is more than 2 lakhs .

3. Bharatiya Mahila Bank Business Loan:

This loan is a support system for budding women entrepreneurs looking to start new ventures in the fields of the retail sector, loan against property, MICRO loans, and SME loans.

The maximum loan amount under this loan goes up to 20 crores in case of manufacturing industries and also a concession is available to the extent of 0.25% on the interest rate and interest rates usually range from 10.15% and higher. Additionally, under the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), there is no requirement of collateral security for a loan of up to 1 crore.

4. Dena Shakti Scheme:

This scheme is provided by Dena bank to those women entrepreneurs in the fields of agriculture, manufacturing, micro-credit, retail stores, or small enterprises; who are in need of financial assistance. The interest rate is also decreased by 0.25% along with the maximum loan amount being 20 lakhs for retail trade; education and housing whereas 50,000 under the microcredit.

5. Udyogini Scheme:

This scheme is offered by Punjab and Sind Bank so as to provide women entrepreneurs involved in Agriculture, retail and small business enterprises to get loans for business at flexible terms and concessional interest rates. The maximum amount of loan under this scheme for women between the age bracket of 18-45 years is 1 lakhs but your family income is also taken into consideration and is set at 45,000 per annum for SC/ST women.

6. Cent Kalyani Scheme:

This scheme is offered by the Central Bank of India with the aim of supporting women in starting a new venture or expanding or modifying an existing enterprise. This loan can be availed by women who are involved in village and cottage industries, micro, small and medium enterprises, self-employed women, agriculture and allied activities, retail trade, and government-sponsored programs.

This scheme requires no collateral security or guarantor and charges no processing fees. And the maximum amount that can be granted under the scheme is Rs. 100 lakhs.

7. Mahila Udyam Nidhi Scheme:

This scheme is launched by Punjab National Bank and aims at supporting the women entrepreneurs involved in the small scale industries by granting them soft loans that can be repaid over a period of 10 years. Under this scheme there are different plans for beauty parlors, day care centres, purchase of auto rickshaws, two-wheelers, cars, etc. the maximum amount granted under this scheme is 10 lakhs and the interest depends upon the market rates.

8. Mudra Yojana Scheme For Women:

This scheme has been launched by the Govt. of India for individual women wanting to start small new enterprises and businesses like beauty parlors, tailoring units, tuition centres, etc. as well as a group of women wanting to start a venture together. The loan doesn't require any collateral security and can be availed as per 3 schemes –

- i. Shishu – loan amount is limited to 50,000 and can be availed by those businesses that are in their initial stages.
- ii. Kishor – loan amount ranges between 50,000 and 5 lakhs and can be availed by those who have a well-established enterprise.
- iii. Tarun – loan amount is 10 lakhs and can be availed by those businesses that are well established but require further funds for the purpose of expansion

If the loan is granted, a Mudra card will be given to you which functions the same way as a credit card however the funds available are limited to 10% of the loan amount granted to you.

9. Orient Mahila Vikas Yojana Scheme:

This scheme is provided by Oriental Bank of Commerce to those women who hold a 51% share capital individually or jointly in a proprietary concern. No collateral security is required for loans of 10 lakhs up to 25 lakhs in case of small-scale industries and the period of repayment is 7 years. A concession on the interest rate of up to 2% is given.

At present, the Government of India has over 27 schemes for women. Few of them mention above and Some of these are:

- National Resource Centre for Women (NRCW)
- Women's India Trust (WIT)
- Women Development Corporation (WDC)
- Association of Women Entrepreneurs of Karnataka (AWAKE)

- Working Women's Forum (WWF)
- Self- Employed Women's Association (SEWA)
- Assistance to Rural Women in Non-Farm Development (ARWIND) schemes
- Entrepreneurial Development programme (EDPs)
- Indira Mahila Yojana
- Indira Mahila Kendra
- Marketing of Non-Farm Products of Rural Women (MAHIMA)
- Mahila Vikas Nidhi
- Mahila Samiti Yojana
- Mahila Vikas Nidhi
- Prime Minister's Rojgar Yojana (PMRY)
- Rashtriya Mahila Kosh
- Rajiv Gandhi Mahila Vikas Pariyojana (RGMVP)
- SIDBI's Mahila Udyam Nidhi
- SBI's Stree Shakti Scheme
- Working Women's Forum

7. CONCLUSION

Although there are a number of studies on various aspects of entrepreneurship and women entrepreneurship in India, no systematic effort has been undertaken to study the growth of women entrepreneurs at the micro level. Hence an attempt has been made to study the "A Study on the Development of Women Entrepreneurs in India. In India a woman shines in every field like medicine, engineering, software, airlines, shipping, railways etc. In several sectors they have occupied higher posts. Many women show their individuality by showing their excellence by starting their own ventures.

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