
Women as Entrepreneurs in India

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ABSTRACT: *This conceptual paper signals towards the women entrepreneurs as an emerging and important human resource of the present century. As the more and more females are coming out of the boundaries of their homes and receiving education, becoming knowledgeable and hence have the potential to transform the economies into flourishing enterprises. Women empowerment is synonymous with women entrepreneurship. Today's women entrepreneurs are playing a very important role and have becoming a vital part of global business environment which is very essential for social progress and economic development. Like male entrepreneurs, female entrepreneurs are equally contributing in job creation, innovation, development of the country. But lower status of women in Indian society has been a hindrance in tapping their entrepreneurial capacity. This paper tries to find out the support which women entrepreneur has from the Government and its impact. Another main purpose of this paper is to find out the hurdles or obstacles which they have to face in order to be successful.*

KEYWORDS: *Women Entrepreneurs, Entrepreneurship, Entrepreneurship Development*

INTRODUCTION: Women entrepreneurs may be defined as a woman or a group of women who initiate, organise and run a business enterprise. Government of India defines women entrepreneurs as owning and controlling an enterprise with a woman having a minimum financial interest of 51 % of the capital and giving atleast 51 % of the employment generated in the enterprise of a woman. According to J. Schumpeter “Woman who innovate initiate or adopt business activity are called women entrepreneurs”. As per Ruhani. J. Alice Women entrepreneurship is based on women participation in equity and employment of a business enterprise.

In Urban areas the concept of women entrepreneurship is not new and has been accepted , but in rural parts of India where still women is confined to the four wall of her home this concept has still not gained total acceptability as financial independence of women is something very new and different for them. Although slowly the mindset of people is changing and they are realising the importance of women entrepreneurship for their progress and for country's progress as well. This change can be seen as now women have shifted from 3P's i.e., powders, pickles and papads to 3 E's i.e., electronics, energy and engineering.

In Modern India more and more are becoming entrepreneurs and are showing interest in becoming financially independent. In India women entrepreneurs have created a niche for themselves and are becoming equally important as their male counterparts. Today women are doing a fantastic job by successfully balancing their homes and work. Women entrepreneurs are important players in the economic development of any country.

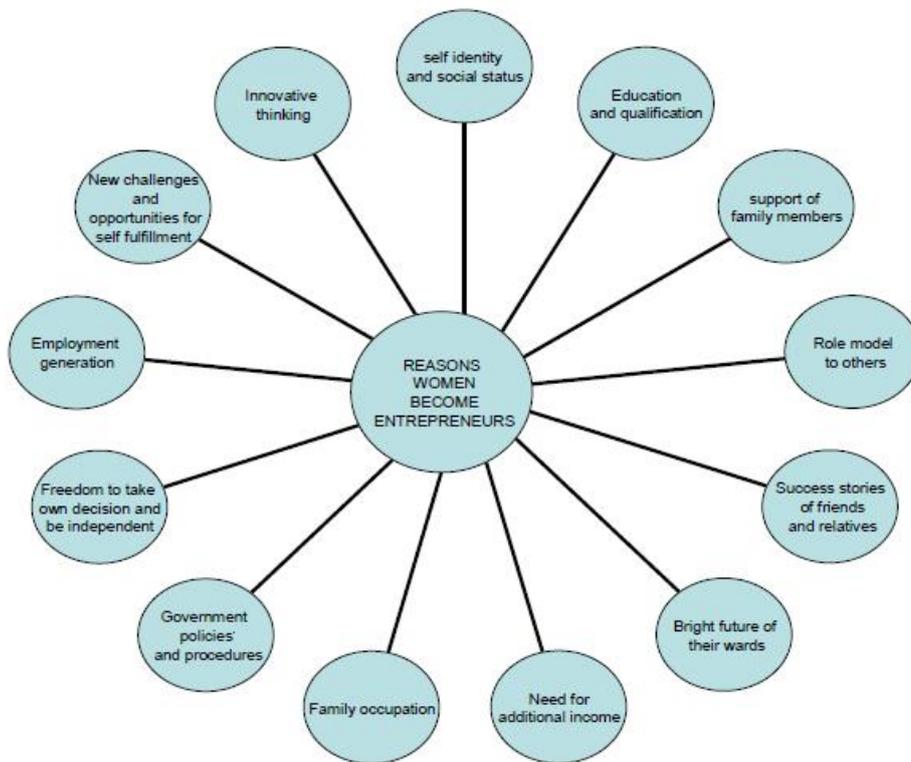
OBJECTIVES AND RESEARCH METHODOLOGY

This study is based on secondary data which is collected from the published reports of RBI, NABARD, SSI Reports, journals, websites, etc. The study was planned with the following objectives:

- To find out the factors which encourage women to become entrepreneurs?
- To study the support given by the government to women entrepreneurs.
- To examine the obstacles faced by women entrepreneurs.
- To study the impact of assistance by the government on women's entrepreneurship
- To draw conclusions and offer suggestions

REASONS FOR WOMEN BECOMING ENTREPRENEURS

Women of India have broken free all shackles and have indulged in every possible business. Main reasons for women to come up in business are skill, knowledge and adaptability. Women entrepreneur is a person who accepts all the challenges to meet her personal needs and become financially independent. A strong desire of Indian women to do something positive and contributing have motivated them to build entrepreneurial qualities. Women has the potential of contributing values in family and society both. Due to exposure provided by media women are aware of their traits, rights and also work situation. Today's digital era provides great opportunities to women and hence they are become employment givers from employment seekers. Earlier women used to turn to entrepreneurship because of any unfortunate events like death in family, divorce, discrimination, financial crises etc but today women are turning to entrepreneurship to carve their own destinies. They are doing good in almost all the fields be it textile or designing, be in exporter, publisher, decorator, manufacturer, or any other field, women entrepreneur are seen making a space for themselves. The chart below shows the main reasons for women turning to entrepreneurship.



Reasons for Women turning to Entrepreneurs

OBSTACLES FACED BY WOMEN ENTREPRENEURS

The hindrances and constraint faced by women entrepreneurs have limited the growth of women entrepreneurship. The major hindrances faced by women entrepreneurs are :

- 1) **Short Of Self-Confidence** – In India, women have lack of self-confidence, strong will power, optimistic attitude in their strength and ability. The family members and the society are also unwilling to support their organizational growth.
- 2) **Socio-Cultural Barriers** –Family obligations sometimes works as a big barrier for women entrepreneurs. Only few women are capable of managing both home and business efficiently, giving sufficient time to perform all their responsibilities in priority.

- 3) **Risks Related To Market** – tuff competition in the market and lack of mobility of women make them dependent on middleman essential. Many business women find it very difficult to capture the market share and make their products well popular and accepted by customer. They are not fully conscious of the changing market environment conditions and hence can effectively exploit the services of media and internet.
- 4) **Mobility Constraints** - Women in India have to face lot of restriction on their mobility, our society still have some conservativeness, and due to that career of women is limited to four walls of kitchen. Though women faced lots of problems being mobile in entrepreneurial activity, the mobility problem has been eliminated to very certain extent by the expansion of education awareness to all.
- 5) **Business Administration Knowledge** – Women must be educated and trained continuously to acquire the skills and understanding in all the required functional areas of business venture. This will make women to excel in decision making and develop good business skills.
- 6) **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.
- 7) **Training Programs** - Depending upon the needs, duration, skill and the purpose of entrepreneur there are various workshops and training programs available the social & welfare association. Such kinds of programs are really helpful to new and young entrepreneurs who desire to start a small and medium sized business on their own.
- 8) **Cost** - some business have highly production and operation cost that adversely affects the expansion of women entrepreneurs. The installations of new machineries during expansion of the productive capacity and like similar factors discourage the women entrepreneurs from entering into new areas.

SCHEMES FOR PROMOTION AND DEVELOPMENT OF WOMEN

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 MSE enterprises are managed by women. As per the latest available estimates, the number of women owned and women managed enterprises is 12.99 lakh and 12.15 lakh respectively.

In order to encourage more and more women enterprises in the MSE sector, several schemes have been formulated by this Ministry and some more are in the process of being finalized, targeted only at the development of women enterprises in India.

1) Trade Related Entrepreneurship Assistance and Development Scheme For Women (TREAD)

With a view to encourage women in setting up their own ventures, government launched a Scheme, namely, “Trade Related Entrepreneurship Assistance and Development (TREAD) during the 11th Plan. The scheme envisaged economic empowerment of women through the development of their entrepreneurial skills in non-farm activities. There are three major components of the scheme;

Govt. of India has grant up to 30% of the total project cost to the Non-Government Organizations (NGOs) for promoting entrepreneurship among women. The remaining 70% of the total project cost is financed by the lending agency as loan for undertaking activities as envisaged in the project.

Up to Rs.1 lakh per program can be granted by govt. of India to training institutions / NGOs for providing training to the women entrepreneurs.

2) Micro & Small Enterprises Cluster Development Programme (MSE-CDP):

Cluster is described as a group of enterprises, normally 20 or more producing same/similar products/services. The Cluster Development Programme being implemented envisages diagnostic study of identified clusters of traditional skill-based MSEs to identify suitable technologies and their providers and to facilitate adoption of available technology meeting the specific needs of the end users. The Cluster Development goals at improved competitiveness, technology improvement, adoption of best manufacturing practices, marketing of products, employment generation etc. The scheme provides support for capacity building, common facilities, marketing etc. the delivery, absorption and diffusion of the identified technology from its producers to the recipient user/cluster of small enterprises.

b) Physical infrastructure:

This Ministry implemented the IID Scheme to provide developed sites with infrastructural facilities like exhibition/display centers, telecommunications, drainage and pollution control facilities power distribution network, roads, water, raw materials, common service facilities storage and marketing outlets, and technological back-up services, etc. This scheme has been subsumed in the MS-ME-Cluster Development Programme. All the features of IID Scheme have been retained.

To create physical infrastructure for women enterprises central grant of 40% of the project cost subject to a maximum of Rs.2 crore is available. The Ministry of MSME is trying to enhance the quantum of grant to 80% in a project of Rs.10 crore.

3. Credit guarantee fund scheme:

In May, 2000 The Government had introduced the Credit Guarantee Fund Scheme for Small Industries with the objective of providing credit to SSI units, particularly small units, for loans up to Rs. 25 lakh with no collateral/ third party guarantees. The Scheme is being operated by the Credit Guarantee Fund Trust for Small Industries (CGTSI) set up jointly by the Government of India and SIDBI. In the case of women enterprises, the guarantee cover is up to 80% of the credit subject to maximum guarantee limit of Rs. 20 lakh. The member lending institutions (MLI) availing of guarantee from the Trust have to pay a one-time guarantee fee of 1.5% of the credit facility (comprising term loan and / or working capital) allowed by the lending institution to the borrower and annual service fee of 0.75% per annum on the amount of credit facility extended by the MLI, which is covered under the scheme.

4. Help for Entrepreneurial and Managerial Development:

MSME DIs regularly conducts EDPs/MDPs for existing and potential entrepreneurs and charge fee for such courses. To encourage more entrepreneurs from among the SC/ST, women and physically challenged groups, it is proposed that such beneficiaries will not be charged any fees but, instead paid a stipend of Rs.500/- per capita per month. 50,000 entrepreneurs will be trained in IT, Fashion Technology, Agro & Food Processing, Catering, biotechnology Pharmaceutical, etc. through specialized courses run by MSME DIs. 20% of courses conducted by these Institutions shall be exclusively for women

5. Scheme for Women Entrepreneurs to Encourage Small & Micro Manufacturing Units DC (MSME)

has formulated a scheme for women entrepreneurs to support Small & Micro manufacturing units owned by women in their efforts at developing overseas markets, to enhance participation of representatives of small/micro manufacturing enterprises under SIDO stall at International Trade Fairs/Exhibitions, to enhance export from such units.

Under this scheme participation of women entrepreneurs in 25 international exhibitions is envisaged during the 11th Plan.

For the year 2007-08 a good number of outstanding women entrepreneur associations have been requested to sponsor their members for participation in 5 international exhibitions scheduled during the months of Jan.-March, 2008, With a view to give confidence to women entrepreneurs for participating in the International Exhibitions.

At present, the Government of India has over 27 schemes for women. Some of these are:

- Assistance to Rural Women in Non-Farm Development (ARWIND) schemes
- Entrepreneurial Development programme (EDPs)
- Indira Mahila Yojana
- Indira Mahila Kendra
- Integrated Rural Development Programme (IRDP)
- Khadi And Village Industries Commission (KVIC)
- Management Development programmes
- Women's Development Corporations (WDCs)

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- Marketing of Non-Farm Products of Rural Women (MAHIMA)
 - Mahila Vikas Nidhi
 - Mahila Samiti Yojana
 - Mahila Vikas Nidhi
 - Micro Credit Scheme
 - Micro & Small Enterprises Cluster Development Programmes (MSE-CDP).
 - NGO's Credit Schemes
 - NABARD- KfW-SEWA Bank project
 - National Banks for Agriculture and Rural Development's Schemes
 - Priyadarshini Project- A programme for Rural Women Empowerment and Livelihood in Mid Gangetic Plains'
 - 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
 - Trade Related Entrepreneurship Assistance and Development (TREAD)
 - Working Women's Forum
 - Training of Rural Youth for Self-Employment (TRYSEM)

SUGGESTIONS FOR THE GROWTH OF WOMEN ENTREPRENEURS

There should be a ongoing effort to inspire, encourage, motivate and co-operate women entrepreneurs.

- 1) Awareness programmes should be conducted on a large scale to create awareness among women about the various areas in which they can do business.
- 2) Efforts should be made to improve the standards of education of women and providing them training, practical experience to enhance their over-all personality standards.
- 3) More and more training programmes should be conducted to develop professional competencies in managerial, leadership, marketing, financial, production process, profit planning, maintaining books of accounts etc.
- 4) Vocational training should be imparted to women which will enable them to understand the process of production in a better manner.
- 5) Lot of emphasis should be done on skill development in women's polytechnics and industrial training institutes.
- 6) International, National, Local trade fairs, Industrial exhibitions, seminars and conferences should be organized to help women to facilitate interaction with other women entrepreneurs.
- 7) Soft loans & subsidies should be offered to women for encouraging them into industrial activities.
- 8) At local level provisions of micro credit system and enterprise credit system should be developed for encouraging women entrepreneurs.
- 9) Women entrepreneurs should try to reap maximum benefit through various schemes and incentives provided by the government to develop entrepreneurs in the state. E.g. the Prime ministers Rozgar Yojana, The Khadi and Rural village industries scheme, etc.
- 10) Efforts should be made by various NGO's and government agencies to make women entrepreneurs aware about policies, plans and strategies for their development .

- 11) Women entrepreneurs should be encouraged to upgrade their knowledge about IT so that they comfortably adapt to technology for their benefits.
- 12) Self help groups of women entrepreneurs should mobilize resources and pooling capital funds, in order to help the women in the field of industry, trade and commerce can also play a positive role to solve this problem.
- 13) Women's entrepreneurship must be examined both at the individual level (i.e. the choice of becoming self-employed) and at the firm level (the performance of women owned and managed firms) in order to fully understand the differences between men's and women's entrepreneurship.

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