

A Study on Women Entrepreneurship in India

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Abstract: *This paper focuses on the role of women entrepreneurs in India. And identifying and analyzing of Indian women's identity, especially for their contribution in emerging new paths in Indian economy. The paper covered about the opportunities in the form of schemes to the women entrepreneurs provided by Indian Government and in generally the problems faced by them to become an entrepreneur. Purpose of this empirical study is intended to find out various motivating and demotivating internal and external factors of women entrepreneurship. It will also suggest the way of eliminating and reducing hurdles of the women entrepreneurship development in Indian Context.*

Keywords: schemes for women Entrepreneurship, key to Success, problems, challenges.

Introduction

“When women moves forward, the family moves, the village moves, and the nation moves”

- Pandit Jawaharlal Nehru

Women Entrepreneurs may be defined as the women or a group of women who initiate, organize and operate a business enterprise. The Government of India has defined women entrepreneurs as —an enterprise owned and controlled by women having a minimum financial interest of 51% of the capital and

giving at least 51% of the employment generated in the enterprise to women. Women entrepreneurs engaged in business due to push and pull factors which encourage women to have an independent occupation and stands on their own legs. A sense towards independent decision-making on their life and career is the motivational factor behind this urge.

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 in this digital era are growing rapidly that the job seekers are turning into job creators.

Women entrepreneurs depict a vital role in accepting challenges to meet her personal needs and become economically independent. They have strong inbuilt quality to contribute to the GDP, but also determined to the values in both family & social life.

Women controlled enterprises in India are at micro level and it is not always easy for women to access the information they need regarding technology, training, innovative schemes provided by the Government & advanced technology. These women leaders are assertive, persuasive and willing to take bold risks. They

managed to survive and sustain to their families in the competitive environment with their hard work, diligence, and perseverance.

Objectives of the Study

- To study the role of women entrepreneurs in India
- To study the Development of Women Entrepreneurs
- To study the various schemes offering by Govt. of India to encourage the Women Entrepreneurs.
- To find the problems encountered by women in starting business Enterprises

Methodology of Study

The paper work is based on extensive study of secondary data collected from various books, National & International Journals and public and private publications available on various websites and in libraries focusing on various aspects of Women Entrepreneurship.

Challenges for Women Entrepreneurs

Across the India, the main reasons which are threatening the women to become an entrepreneur is the lack of confidence and skills and difficulty in accessing entrepreneurial knowledge. In India, there are four key reasons for women not choosing to become entrepreneurs:

Entrepreneurial Traits: Many women prefer to get into salaried jobs, preferring the steady working hours, income and perks like health insurance and paid leaves. Entrepreneurship is still perceived as a riskier option, requiring longer work hours and lacking a fixed income

every month. Most women entrepreneurs though attest that this is not true. They cite flexible working hours and being in control of their schedules as a key reason for becoming entrepreneurs.

Difficulty in Accessing Resources: Women have difficulty in accessing funds and other resources due to several reasons: laws regulating the private sphere specifically regarding marriage, inheritance and land can hinder women's access to assets that can be used as collateral to secure a loan; lack of awareness of schemes that are available to specifically support them; few platforms that specifically support women entrepreneurs.

Lack of Practical Experience: Apart from a few high profile female founders, women do not see too many entrepreneurs in their lives that they can look up to and learn from. Women entrepreneurs often know from experience how challenging it is to start up and establish an enterprise. So when women can reach out to and work with women entrepreneurs, they are more likely to start up.

Mentoring & Network : A mentor can play a key role in helping a women to make the decision to start up. However, unless women accidentally come across a mentor in the course of their work, there are very few structured mentorship programmes available to help them find a mentor who will guide them on their entrepreneurial journey.

Problems of Women entrepreneurs

Women entrepreneurs, especially in rural India have less exposure to the world because of male

dominating society, family responsibilities and traditional deep rootedness. This restricts their mobility and makes them dependent on intermediaries to reach the market and achieve scale. For instance, a daily former who supplies milk to a nearby or to the household is an entrepreneur. But because of lack of awareness about the financial assistance, loans and schemes by the institutions in the financial

sector, women entrepreneurs remain at micro level in rural and backward areas. Apart from a few high profile female founders, women do not see too many women entrepreneurs in their lives that they can look up to and learn from. Even as India continues its rapid economic growth, women in the country struggle against discrimination and inequality.

| Women in India | |
|-----------------------|--|
| 27% | Women receive secondary education |
| 12.2% | Parliament seats held by women |
| 80% | Need permission to visit a health centre |
| 142 | Rank out of 144 countries on the health and survival in world economic forum |
| Only 14% | Entrepreneurs in India are women |

In each and every situation there are a lot of alternative solutions are there, but the problem is the lack of awareness and they are unable to solve the problems. The Government of India launched a programme for women entrepreneurs which aims to facilitate bank loans of Rs. 10 lakh-Rs.1 crore to at least one Scheduled Caste (SC) or Scheduled Tribe (ST) and one-woman beneficiary per bank branch for setting up a Greenfield enterprise in trading, services or manufacturing sector. But so many women entrepreneurs are not able to access schemes like this due to lack of awareness.

Schemes For Women Entrepreneurs In India

To start the journey as an entrepreneur 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. Here is a list of various schemes and loans exclusively for women that aim at promoting and easing out the process for them –

STREE SHAKTI PACKAGE

The Stree Shakti Package is a unique scheme run by the SBI, aimed at supporting entrepreneurship

- among women by providing certain concessions. An enterprise should have more than 50% of its share capital owned by women to qualify for the scheme. **The concessions offered under the Stree Shakti Package are:**
- **The margin will be lowered by 5% as applicable to separate categories.**
The interest rate will be lowered by 0.5% in case the loan exceeds Rs 2 lakh.

No security is required for loans up to Rs 5 lakh in case of tiny sector units.

Mahila Udyam Nidhi Scheme: Run by Punjab National Bank, the scheme aims to meet gap in equity. It assists women entrepreneurs in setting up of their new projects in tiny/small scale sector and rehabilitation of viable sick SSI units. Under the scheme, the maximum amount granted is Rs 10 lakhs and the interest depends upon the market rates. These soft loans can be repaid over a period of 10 years.

3) Udyogini Scheme: Sanctioned by the Government of Karnataka in the year 1997-98, the scheme assists women in gaining self-reliance through self employment, especially in the trade and service

sector. Offered by Punjab and Sind Bank, the scheme empowers women by providing them loans.

Under this scheme, the maximum unit cost is Rs.1,00,000/-. Age limit for the beneficiary is 18-45 years and family income limit to avail this benefit is Rs.40,000/- per annum for all women including those belonging to SC/ST. The scheme has really made a difference in preventing women entrepreneurs from private borrowing at higher rates of interest.

4) Dena Shakti Scheme: Offered by Dena Bank, the scheme provides financing to Women Entrepreneurs working in the fields of agriculture, manufacturing, micro-credit, retail stores, or small enterprises. The maximum ceiling limits that can be considered for financing to women beneficiaries under this scheme will be as per the directives of RBI stipulated for various sectors under priority sector such as loans upto Rs 20.00 lakhs under retail trade, Rs 20 lakhs under education and housing and Rs 50000/- under micro credit as well as Bank's specific schemes circulated to branches /offices from time to time.

5) Mudra Yojana Scheme for Women: Launched by the Government of India, the scheme aims to improve the status of women by providing them loans and encouraging them to start new ventures and thereby empowering them by providing a financial security of individual income. Under the scheme, if the loan is approved, the women entrepreneur will be provided with a Mudra card which will function the same way as a credit card however the funds available are limited to 10 per cent of the loan amount granted to you.

The loan, which doesn't require any collateral security, can be availed as per 3 schemes:

- a) Shishu– Under this, the amount is limited to Rs.50,000 and can be availed by those businesses that are in their initial stages.

- b) Kishor – The loan amount under this scheme ranges between Rs.50,000 and Rs.5 lakhs and can be availed by those who have a well-established startups.
- c) Tarun – The loan amount under this scheme is Rs.10 lakhs and can be availed by those businesses that are well established but require more funds for expansion purposes.

6) Bharatiya Mahila Bank Business Loan: For the uninitiated, the Bharatiya Mahila Bank is the first of its kind in the Indian Banking Industry, which was formed with a vision of providing economic empowerment to women. The bank functions as a support system for women entrepreneurs looking to start new businesses in the fields of the retail sector, loan against property, MICRO loans, and SME loans.

The maximum loan amount granted by the bank is Rs.20 crores for businesses working in the manufacturing industry. The bank also provides women entrepreneurs with a concession to the extent of 0.25% on the interest rate and interest rates usually range from 10.15% and higher.

7) Orient Mahila Vikas Yojana Scheme: Provided by Oriental Bank of Commerce, the scheme entails to meet the credit needs of Women Entrepreneurs. In order to be eligible for the scheme, a women has to hold a 51 per cent share capital individually or jointly in a proprietary concern. The scheme which provides a concession on the interest rate of up to 2 percent doesn't requires collateral security for loans of 10 lakhs up to 25 lakhs. The period of repayment for the loans provided under the scheme is 7 years.

8) Annapurna Scheme: Offered by State Bank of Mysore, the scheme provides loans to women entrepreneurs who are working towards setting up small businesses in the food catering industry. The maximum amount of money that is granted under the scheme is Rs.50,000. The amount granted can be

utilised to fulfill the working capital requirements of the business like buying utensils and other tools and equipment.

9) Cent Kalyani Scheme: Conceived and offered by Central Bank of India, the scheme aims to encourage Women Entrepreneurs to start new project or expand/modernise their existing unit. The scheme is targeted at new as well as existing women entrepreneurs for her Micro/Small enterprise (as defined under MSME Act- 2006) .i.e engaged in manufacturing and service activity for eg. Handloom weaving Handicraft, Food-Processing, Garment making etc. etc. Professionals & Self employed women – Doctors, Chartered Accountants, and Engineers or trained in Art or Craft etc. Health /Beauty clinics/Dieticians/Fashion Designing Beauty Parlors. Small Business-Small lunch/canteen, mobile restaurant, circulating library/ tailoring /Day Creaches for children ,Tailoring, Typing / STD/ Zerox booth etc., Transport Operators- Three wheeler /Four wheeler. Sectors such as Retail Trade, Education and training Institute and Self Help Groups are not eligible for the scheme. The maximum amount that can be granted under the scheme is Rs. 100 lakhs. The best part of the scheme is, that it doesn't requires any collateral security or guarantor and charges no processing fees whatsoever.

. The Telangana State Government also assures an entrepreneur-friendly and graft-free regime of disbursing the incentives. The Telangana State Government guarantees that the incentives will be released on time, and direct to the bank account. There will be a transparent on-line application system, with minimum human interface. The Telangana State Government is committed to encourage the process of industrialization by making various kinds of incentives available to the entrepreneurs. The Telangana State Government will consider providing incentives to the entrepreneurs under its T-IDEA (Telangana State Industrial Development and Entrepreneur Advancement) incentive scheme

SPECIAL ASSISTANCE TO WOMEN ENTREPRENEURS: Like SC/ST entrepreneurs, the number of existing women-owned industrial enterprises is very meager. The Telangana State Government will encourage women entrepreneurs in a big way. Each of the 9 districts of the state (excluding Hyderabad) will have one or more industrial parks exclusively for women. Organizations working for women entrepreneurs like COWE, ALEAP and FICCI-FLO will be invited to partner with the government to identify and train women entrepreneurs, get their project proposals developed, link them to financial institutions and handhold and monitor the progress of their projects. Among women, the government would facilitate more number of entrepreneurs to emerge from socially deprived categories like SCs, STs, BCs and Minorities.

CENTRAL GOVERNMENT INCENTIVES

As per Section 94 (1) of the Andhra Pradesh Reorganization Act 2014, the Central Government shall take appropriate fiscal measures, including offer of tax incentives, to the successor States, to promote industrialization and economic growth in both the States.

- 100% central excise benefit for 5 (or more) years
- 100% income tax benefit for 5 years; 30% for the next 5 years
- other investment subsidy benefits

Global Entrepreneurship summit-2017

US President Donald Trump's daughter Ivanka Trump visited India to attend the annual Global entrepreneurship summit was held in Hyderabad from November 28-30, 2017,. The theme of this year's summit is "women first, prosperity for all" and was include 1200 young entrepreneurs, most of them are women. In this summit Ivanka says, "Entrepreneurs are revolutionizing our economies, and improving our societies. Only when women are empowered to thrive; will our families, our economies, and our societies reach their fullest potential. Through your own enterprise,



entrepreneurship, and hard work, the people of India have lifted more than 130 million citizens out of poverty – a remarkable improvement, and one I know will continue to grow under the leadership of Prime Minister. Men now taking more active role in supporting family and not just as finance providers, this is a generational shift”.

In this GES 2017 Chanda Kochhar, CEO of ICICI Bank said, “India faring better than many countries in allowing women entrepreneurs to excel. 40% of the banking sector in India headed by women. Education, encouragement, empowerment are what women need, and then the sky is the limit”

“Women need the 3C’s- Confidence, Capabilities and access to Capital. Also men must understand that women are their equals” - Cherie Blair at GES 2017.

CONCLUSION: It can be said that today we are in a better position wherein women participation in the field of entrepreneurship is increasing at a considerable rate. Efforts are being taken at the economy as brought promise of equality of opportunity in all spheres to the Indian women and equal opportunities and rights in education and employment were enacted. But unfortunately, the government sponsored development activities have benefited only a small section of women i.e. the urban middle class women. Women sector occupies nearly 48% of the Indian population. At this juncture, effective steps are needed to provide entrepreneurial awareness, orientation and skill development programs to women. The unexplored talents of young women can be identified, trained and used for various types of industries to increase the productivity in the industrial sector.

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