

WOMEN ENTREPRENEURSHIP: ISSUES AND POLICIES

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ABSTRACT

Women entrepreneurship has been recognized as an important source of economic growth. Women entrepreneurs create new jobs and also provide society with different solutions to management, organization and business problems. In recent years, India has seen a quick development in new businesses. Numerous women courageously step into startups. The participation of women in the workforce has helped a large number of families pull out of hardship and has prompted job creation. However, they still represent a minority of all entrepreneurs. They often face gender based barriers to starting and growing their businesses, like discriminatory property, matrimonial and inheritance laws and or cultural practice, lack of access to formal finance mechanisms, limited mobility and access to information and network. Women's entrepreneurship can make a strong contribution to the economic well-being of the family and communities, poverty reduction and women's empowerment. Thus, governments across the world as well as various developmental organizations are actively undertaking the promotion of women entrepreneurs through various schemes, incentives and promotional activities measures.

Key words: Women entrepreneurs, Economy, Society, Growth

INTRODUCTION

Over the last few decades, there has been a slow but steady change taking place with respect to development of women. The gross enrolment ration for women has increased and women have increasingly come forward to participate in the employment sector. Not only that, women have come forward to establish their own enterprises as well and have become job providers. Even if the entrepreneurial world is still male dominated, women participation is on the rise every year. Be it micro or small or medium scale operation, women have come forward to establish them as owners and manage them. Probably what is noteworthy is that women have plunged into the field of entrepreneurship and have been found effective in emerging socio-economic role. A number of them have been engaged in home-based small scale entrepreneurial activities like selling home-prepared food items, selling homegrown vegetables, milk vending, butter and ghee making by maintaining one or few milk animals. Women also engaged in goat rearing, poultry farming, money lending, pawn brokering, selling textiles in the neighborhoods, etc. The money generated through such home-based entrepreneurship helps augment family income in a modest way.

Economic independence has long been a key to an evolving society, and the innovation in entrepreneurship that women will surely bring it. More women in leadership will create more mentors and role models for the next generation. Especially for those who are keen to start small businesses and need the appropriate inspiration and guidance. "We are inspired by the stories that we hear and the role models that we see, and as we see more and more women enter the unicorn club, or rather, we see more and more women-led businesses enter the unicorn club, it gives young female entrepreneurs something to look up to, and it also gives her the confidence that her company could one day be a unicorn company," Priyanka Gill, Co-Founder, Good Glamm Group said. "We all know that adding women to the workforce not only doubles our economic output, it teaches the next generation about equality by setting a very tangible example. This, in turn, changes how men and women are perceived by society and each other, " stated Malini Agarwal, Founder and Creative Director of MissMalini Entertainment, Girl Tribe & Co-Founder of Good Creator Co.

Why women make the best entrepreneurs

- Women don't take unnecessary risks

- Women want everyone to feel included and engaged
- Women are not afraid to ask for assistance
- Women leaders are more determined and ambitious than men
- Women do more with less
- Women have a long-term view
- Women define success differently

Problems of Women Entrepreneurs

Basic problem of a woman entrepreneur is that she is a woman. Women entrepreneurs face two sets of problems specific to women entrepreneurs. These are summarized as follows:

- **Shortage 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.
- **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.
- **Inadequate 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'.
- **Keen 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 utilisation 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. Hence she cannot put her full involvement in the business. Occupational backgrounds of the family and

education level of husband have a direct impact on the development of women entrepreneurship.

- **Low 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.
- **Lack of Education:** 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.
- **Low Capacity to Bear Risks:** 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.
- **Low Need for Achievement:** Generally, a woman will not have strong need for achievement. Every women suffers from the painful feeling that she is forced to depend on others in her life. Her preconceived notions about her role in life inhibit achievement and independence.
- **Lack of Training:** 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.
- **Lack 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.

Government Initiatives for promoting Women Entrepreneurship in India

Women are pro at multitasking - a skill set that is most pivotal as entrepreneurs.

However, the journey to becoming entrepreneurs from homemakers has been slow due to various socio-economic factors. To change that, the Government of India has come up with various financial schemes to encourage women to pursue their passions. These loan options have attractive features like low interest rate, maximum repayment tenure and low to zero processing fees, to name a few.

1. Mudra Loan for Women

[Mudra Loan for Women](#) was launched by the government to offer financial support for enthusiastic women entrepreneurs. They seek a business plan like starting a beauty parlour, tuition centre, a stitching shop, etc. This scheme does not require any collateral to grant the loan. However, there are categories under which a mudra loan application can be applied. They are as follows:

Shishu Loan: For businesses in the initial stage, the maximum loan amount granted is Rs. 50,000.

Kishor Loan: This loan is for businesses that are already established but wish to improve services. The amount of loan granted varies from Rs. 50,000 to Rs. 5 Lakhs.

Tarun Loan: This loan is for the well-established businesses planning to expand their reach and is short on capital; they can avail as much as Rs. 10 Lakhs for the purpose.

APPLY NOW

2. Annapurna Scheme

Under the Annapurna Yojana, the Government of India offers women entrepreneurs in food catering businesses loans up to ₹50,000. The borrowed amount could be used for working capital requirements such as buying utensils, mixer cum grinder, hot case, tiffin boxes, working table, etc. After the loan is approved, the lender doesn't have to pay the EMI for the first month. Once sanctioned, the amount has to be repaid in 36 monthly installments. The interest rate charged is determined based on the market rate and the concerned bank.

3. Stree Shakti Yojana

The Stree Shakti package is a unique scheme that supports entrepreneurship among women by providing certain concessions. This Stree Shakti scheme is

eligible for women who have the majority of ownership in the business. Another requirement is that these women entrepreneurs be enrolled under the Entrepreneurship Development Programme (EDP) organized by their respective state agency. This Stree Shakti scheme allows women to avail of an interest concession of 0.05 percent on loans more than ₹2 lakh.

4. Dena Shakti Scheme

The Dena Shakti Scheme provides loans up to ₹20 lakh for women entrepreneurs in agriculture, manufacturing, micro-credit, retail stores, or small enterprises. The scheme also provides a concession of 0.25 percent on the rate of interest. Women entrepreneurs can avail of a loan of up to ₹50,000 under the microcredit category.

5. Bhartiya Mahila Bank Business Loan

Implemented by The Bhartiya Mahila Bank (BMB), this is a public sector banking company that offers women entrepreneurs loans up to ₹20 Crores for working capital requirements, business expansion, or manufacturing enterprises. Some of the different plans under the Bharatiya Mahila Bank Business Loan scheme includes:

Shringaar: The BMB Shringaar loan applies to self-employed women or homemakers planning a startup or meets their daily business expenses. The loan doesn't require you to provide any collateral security.

Parvarish: Similarly, the BMB Parvarish loan is for self-employed women or homemakers to set up day-care creches. The upper limit of this loan can be ₹1 Crore without any collateral security under the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGSTSM) scheme.

Annapurna: Between 18 to 60 years, food entrepreneurs wanting to start or expand their small businesses can avail of this loan. Its features are similar to that of the State Bank of Mysore's Annapurna scheme, minus that it does not require collateral security.

6. Mahila Udyam Nidhi Yojana

The Mahila Udyam Nidhi Scheme is offered by Punjab National Bank and Small Industries Development Bank of India (SIDBI). The scheme supports women entrepreneurs to set up a new small-scale venture by extending loans up to ₹10 lakh to be repaid in 10 years. The rate of interest charged depends upon

the market rates.

7. Orient Mahila Vikas Yojana Scheme

Oriental Bank of Commerce launched the scheme, women with an ownership of 51 percent share capital individually or jointly in a proprietary concern can avail a loan through the Orient Mahila Vikas Yojana. There is collateral required for loans between ₹10 lakhs to ₹25 lakhs. The repayment tenure of the loan is seven years. Orient Mahila Vikas Yojana Scheme also provides a concession on the interest rate of up to 2 percent.

8. Cent Kalyani Scheme

The Cent Kalyani Yojana can be availed by both existing and new entrepreneurs and self-employed women. Micro/small enterprises like farming, agriculture, cottage industries, and retail trade are all eligible to apply for the Cent Kalyani Scheme. You do not have to provide any collateral as security or need any guarantors for this loan. The interest rate on loans depends on market rates. The repayment tenure of the loan will be a maximum of seven years.

9. Udyogini Scheme

The Women Development Corporation has implemented the Udyogini Scheme under the Government of India. This scheme promotes and motivates women's entrepreneurship among the poor by providing financial support to women. This scheme majorly supports and helps illiterate women living in rural and backward areas.

Reasons for the Slow Growth of Women Entrepreneurship

In spite of the initiatives taken by the government, the growth of women entrepreneurship is very slow. The reasons are outlined as below:

- Unfavourable family background
- Lack of business education
- Dual role of women
- Lack of aptitudes and training
- Absence of individualistic spirit
- Lack of freedom to choose a job according to ability, influence of sex, custom etc

- Inadequate infrastructure facilities
- Shortage of capital and technical knowhow
- Lack of adequate transport and communication facilities
- Shortage of power
- Lack of security
- Absence of ideal market conditions
- Corruption in administration

CONCLUSION

The future does indeed look bright for women in the entrepreneurial industry. Hillary Clinton once said, “Women are the largest untapped reservoir of talent in the world.” We do see women entering the entrepreneurial market in the present, but we cannot ignore the fact that not all women – like those in developing nations – are given a chance to step out of their routine duties and discover their potential. By taking steps towards shaping policies and eliminating conventional social norms that are unfairly discriminatory towards women, we will be able to ensure the women of the next generation a brighter future. Additionally, taking essential steps like expanding accessibility to women's financial aid and creating a more inclusive environment for women is essential. In doing so, we are likely to witness a boost in the number of women entering this predominantly male industry. While women continue to take bold steps towards moulding their own futures and in the process, contributing to society and the economy, the society too needs to take a stand against forces that may prevent women from progressing. It is integral to believe in their potential of bringing to the table valuable solutions to the pressing problems that we as a society face.

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