

DEVELOPMENT OF WOMEN ENTREPRENEURSHIP IN INDIA

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Abstract

Entrepreneur is a person who creates an enterprise. The process of creation is called as entrepreneurship. In India, women constitute half of the total population, but in terms of employment less than 40% of women are employed. This is one of the major reasons why the women are having lower economic and social status in our society. Entrepreneurship is one of the best way in which we can solve this problem. When women are encouraged into to the field of entrepreneurship they are not only getting employed, but they also creates employment opportunities for others. That means job seekers will become job providers. Though India is one of the fastest growing economies in the world, number of women entrepreneurs is short in supply. We still have not fully utilized the opportunities and potentialities of entrepreneurial talents in all classes of the society. Entrepreneurial skill and talents are something that can be developed by training and development. These entrepreneurial skills among the women are not restricted to particular class of society or advanced family. By providing right kind of training and developmental programs we can improve and sharpens this skills and talents. Today the Government has formulated various schemes which aim at providing free education for girls at schools and colleges. After completing their high school and colleges they should be provided with technical and managerial oriented training along with entrepreneurship training programs. This process will help the women to develop the quality of leadership, courage, determination and aptitude for entrepreneurship. This research paper focus on the importance, challenges and the various schemes formulated by the Government and other agencies for promoting women entrepreneurship in India.

Key words: Entrepreneur, Entrepreneurship, Women entrepreneur

INTRODUCTION

Entrepreneur is a person who organizes and run an enterprise. This process of creation is called as entrepreneurship. It can be defined as a process of action an entrepreneur undertakes to establish his enterprise. According to McClelland, entrepreneurship is doing things in an innovative and better way and making decisions under condition of uncertainty. Entrepreneurs have changed the direction of national economies, industries and markets. They have invented new products and developed organizations and the means of production to bring them to market. They have introduced quantum leaps in technology and more productive uses of the existing resources. They have forced the reallocation of resources in to productive uses. The third world decision makers are interested in entrepreneurship and its noticeable economic impact on developing and developed economies. They view entrepreneurship as a counter balancing high unemployment, slow economic growth and high population prevailing in many third world economies.

In India, women constitute half of the total population, but in terms of employment less than 40% of women are employed. This is one of the major reasons why the women are having lower economic and social status in our society. Entrepreneurship is one of the best way in which we can solve this problem. When women are encouraged into to the field of entrepreneurship they are not only getting employed, but they also creates employment opportunities for others. That means job seekers will become job providers.

Though India is one of the fastest growing economies in the world, number of women entrepreneurs is short in supply. We still have not fully utilized the opportunities and potentialities of entrepreneurial talents in all classes of the society. Entrepreneurial skill and talents are something that can be developed by training and development. These entrepreneurial skills among the women are not restricted to particular class of society or advanced family. By providing right kind of training and developmental programs we can improve and sharpens this skills and talents. When this training programs are designed, it should be designed in such a manner that it should give more focus new areas where the women can gainfully act as an entrepreneur. Today the Government has formulated various schemes which aim at providing free education for girls at schools and colleges. After completing their high school and colleges they should be provided with technical and

managerial oriented training along with entrepreneurship training programs. This process will help the women to develop the quality of leadership, courage, determination and aptitude for entrepreneurship.

A fresh and innovative approach needs to be developed towards concept of women entrepreneurship in India. There are number of agencies formulated by the Government for training women entrepreneurs in our country such as Institute of Entrepreneurship Development, National Extension and Training Institution. Nationalized banks and State Finance Corporations plays an important role in promoting self-employment among women by making available credit facilities. They also provide a number of concessions and also special facilities to train and equip women entrepreneurs to successfully implement and run their projects.

Importance of Women Entrepreneurship in India

Women play an important role in the economic development of the nation. When a woman enters into the field of entrepreneurship, along with playing the role of entrepreneur she also has to perform the functions of home maker. She needs to make a balance between family functions and entrepreneurial activities. A successful women entrepreneur not only helps in the development of society but also helps to inspire other members of the society to take up such activities. When more and more women enter into the field of entrepreneurship, it helps to increase the employment opportunities in the economy, which helps to increase the income and there by helps to reduce poverty in the economy.

At present our Government is liberalizing all kinds' restriction against domestic as well as foreign investment, which increases the flow of investment from within the country and outside the country. With this there will be rapid industrialization in the economy. This shows that there is both need as well as opportunity for women entrepreneurs to participate in the economic development of the nation. Participation of women in the economic activities of a nation is not only important from the economic point of view but is also essential for raising the status of women in the society. Thus policies and programs of the Government should be focused on developing this economic and social status of women in our society.

Following points highlights the importance of women entrepreneurship,

1. **Mobilization of savings**
Entrepreneurship helps in the mobilization of savings in the idle sector. When the women entrepreneurs start their venture they mobile and invest their savings in productive ventures. Utilization of this idle fund helps in the optimum utilization of national resources.
2. **Rise in Per capita income**
When the women are encouraged into the field of entrepreneurship it helps in creating new business venture in the economy. When new ventures come to our economy, it will create more employment opportunities both directly and indirectly. Increase in employment opportunities will helps to increase the income, which in turn increases the per capita income of the nation.
3. **Balanced Regional Development**
In our country there is a gap between rural areas and urban areas. Both areas are not equally developed. Women entrepreneurship helps to achieve the objective of balanced regional development. As most of women entrepreneurs start their venture in rural areas it helps in the up liftment of rural economy in our country, which helps our country to achieve balanced regional development. The women entrepreneurs are attracted to rural areas because to promote entrepreneurial activity rural areas now a day's Government is providing subsidies and concession to those ventures who establish their ventures in rural areas. So this new entrepreneurs are attracted to this areas exploit the opportunities. This would help in the balance regional development of the country.
4. **Improvement in standard of living**
The newly entered entrepreneurs aim to produce goods and service at higher quality and reasonable rates. This introduction of quality products helps to remove the scarcity of goods in our economy. More over the with the establishment of new business ventures helps to create employment opportunities in the economy which in turn help to increase the income and purchasing power in the economy. This helps to improve the standard of living of the people in the economy.
5. **Self reliant and independent**

When the women start their business ventures they become more responsible. They are performing the role of both as an entrepreneur as well as a home maker. By performing the role of entrepreneur they become self reliant and independent. They no longer need to depend on others to survive. They become economically as well as emotionally independent.

Problems faced by women entrepreneurs in India

The major problems concerning women are of varied nature. Although the problems are faced equally by men and women, but women are prone to problems more because of many reasons. Some of the major problems faced by women are follows.

1. Lack of Sufficient capital

Lack of sufficient capital in here implies both financial as well as working capital. Lack of proper financial resources and working capital is one of the major problem faced by women entrepreneurs in India. To borrow fund from other sources such as bank or other financial institution they face difficulty with regard to tangible securities that has to be offered as collateral security. Rigid and complicated procedures of bank, hinders them in making borrowings from this institutions. Women entrepreneurs face difficulty to meet day to day working capital requirement of the business. Most of them depends on personal savings and borrowings from the friends and relatives to meet their financial needs. Even though the Government has launched various assistance programs for the assistance of women entrepreneurs, timely availability of this assistance still a big question. There is usually a time lag between allotment and disbursement. Thus there is a high probability for the failure because of poor financing facilities, as the finance is the life blood of the business. Adequate and timely availability of finance is prerequisite for the coordinating financial resources as well as working capital.

2. Lower willingness to take risk

Compared to men entrepreneurs, majority of women entrepreneurs hesitate to take risk. This is not due to their inheriting nature but due to lack of training and knowledge. They lack proper training and guidance to identify and evaluate a particular situation, which make a hesitation among them in taking risk. In here they lack proper decision making skills. So proper entrepreneurship training programs should be considered in order to sharpen their skill and knowledge and there by improve their decision making skills.

3. Family problems

The duties of women entrepreneur do not concludes with running a business, they also have family to take care of. They have to make a balance between family and business. In case of a married entrepreneur, she has to make sure that she has performed the duties as a entrepreneur as well as a mother and a wife. Success of such entrepreneurs mostly depends on the support of their family and husband. Thus cultural and educational background of families and husband will a great influence on the growth and development of women entrepreneurship.

4. Attitude of the society

Another important problem face by the women entrepreneur is the attitude of the society. Though we consider our society as an advanced society still there are stereotype against women. Many people view entrepreneurship field is only for men and the duty of women is to stay at home and take care of the family Thus they live their entire life by depending on others, due to this, their is no scope for self reliant. This attitude has to be changed, and then only more women could able to come forward and start up their ventures.

5. Competition

Women entrepreneurs face stiff competition from large business organizations, especially male entrepreneurs. Since these male entrepreneurs are experienced one, the female entrepreneurs face difficulties in competing with them, as most of them are new to the field. They gain experience in passage of time.

6. Marketing activities

In most of the cases women entrepreneurs rely on a third party in order to market their products and services to customers. In order to compete with large organizations especially male entrepreneurs the women entrepreneurs needs to make a significant amount of investment in marketing activities such as

sales promotion activities, advertisement formulation of marketing strategies and so on. In most of the cases the women entrepreneurs does not have training to perform this functions, so they are forced to rely on middle man to perform marketing functions. This create burden to the women entrepreneurs in the form of increase in cost of operation. Moreover there is also high possibility that this middle man may exploit the women entrepreneurs.

7. Lack of training

Majority of the women entrepreneurs in India lack professional and technical training. It is one of the fundamental reason why the women entrepreneurs finds difficulty in facing competition from other organizations and performing various marketing functions. Necessary programs and policies must be formulated to provide training and guidance to women entrepreneurs. Proper training and guidance will help to improve their managerial ability.

Schemes Formulated to Promote Women Entrepreneurship

The Government of India has accepted the principle that women entrepreneurs can be made and developed through various schemes and programmes. By coordination with various agencies the Government has formulated and implemented various entrepreneurial developmental schemes for the women. Following are the major schemes implemented to support women entrepreneurship in India.

➤ Annapurna Scheme

Under this scheme, women entrepreneurs in food catering and business are provided with Rs50,000 by the Central Government. This would help them to meet the working capital requirement. To avail this loan a guarantor as well as the assets of the business has to be pledged as collateral. Once the loan is sanctioned, the borrower has to repay within 36 months. The borrower doesn't have to repay EMI for the first month.

➤ Stree Shakti Package For Women Entrepreneurs

This is a SBI sponsored scheme to support women entrepreneurship by providing concessions. To avail this scheme, the women should have majority ownership (more than 51%) in small business. This scheme allows women to avail an interest concession of 0.05 percent on loans exceeding ₹2 lakh. No security is required for loans up to ₹5 lakh in case of tiny sector units.

➤ Cent Kalyani Scheme

This scheme can be availed by the women entrepreneurs who are either existing or new and self employed in micro or small enterprises. Loan upto 1 crore will be provided under this scheme with a margin rate of 20%. No collateral security or guarantors is required for availing this loan.

➤ Mudra Yojana Scheme

This scheme is offered under Pradhan Mantri Mudra Yojana. Under this scheme loan is provided between Rs50,000 to Rs 50 lakh. No collateral and guarantors are required for loans below ₹10 lakh.

➤ Mahila Udyam Nidhi Scheme

This scheme is supported by Punjab National Bank and Small Industries Development Bank of India (SIDBI). Under this scheme loans are provided up to Rs 10lakhs, for supporting women entrepreneurs to set up new small scale ventures. The loan shall be repaid within 10years.

➤ Dena Shakti Scheme

Under this scheme the women entrepreneurs who are engaged in agriculture, manufacturing, retail stores or small industries are provided with a loan up to Rs 20 lakhs. A concession of .25% will be provided on the interest rate.

➤ Orient Mahila Vikas Yojana Scheme

Under this scheme, Financial assistance will be provided to those women who hold 51% of share capital either individually or jointly on a business concern. Collateral security is not required for loans between ₹10 lakhs to ₹25 lakhs for small-scale industries.

➤ Bhartiya Mahila Bank Business Loan

The scheme was initially formulated and implemented by Bhartiya Mahila Bank (BMB) which was later merged with State Bank of India in 2017. This scheme provide women entrepreneurs with business loans up to ₹20 Crores for meeting working capital requirement, business expansion, or manufacturing enterprises. It also offers special business loans with a concessionale rate of interest and

grants collateral-free loan up to ₹1 crore under Credit Guarantee Fund Trust for Micro and Small Enterprises.

Conclusion

The role of women in economic development of a country is ultimately related to the goal of comprehensive socio economic development. Thus among various development activities in India, now a day's Government is giving more important to the women development programs. In sanctioning and disbursement of loans, now the banks are giving more importance to women entrepreneurs. In spite of all the programs and the support given by given by Government and other institutions, only a certain percentage of populations were benefited. Certain populations of women are still unaware of the programs and supports given by the Government for promoting women entrepreneurship. So the reach of this programs and supports should be extended to all locations of our country.

For developing countries like India entrepreneurship is a toll to achieve economic development in the country. In our country women constitute half of the total population. So when they are encouraged in to the field of entrepreneurship, there will be more business ventures in our country, which helps to address the problem of unemployment in our country. Along with providing financial assistance, it should be ensured that they are provided with adequate training that will help them to face the challenges in the economy and be a successful entrepreneur.

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