



# Women Entrepreneurship - Way for Indian Economic Development

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## **ABSTRACT**

Entrepreneurship of women development is an essential part of human resource. The role of women entrepreneurship has changed over the years in the world. Participation and their importance have been commendable in the country economic growth and development. Development in compared to other countries the development of women entrepreneurship is very low in India, especially in the rural areas. However, women of middle class are not too eager to alter their role in fear of social backlash. The progress is more visible among upper class families in urban cities.

The Government of India has supported many women entrepreneurship by providing loans and advances, helping them to establish their business, making them self-sufficient by providing vocational skill and creating many jobs for other women in the respective areas. These opportunities are need-based in India, and many factors are driving these forces.

This article analyses the role of women entrepreneurs with respect to the banking institutions and studies these aspects in four parts; the first part deals with growth of women entrepreneurs in India, the second part studies tapping this growth in financing women entrepreneurs which is a major problem of failure in their business, third deals with the help of self help groups (SHGs) in promoting finances and empowering them through capacity building programmes, and the fourth parts deals with future policies of the government providing conducive environment for their business and for their livelihood.

Key words: MSME, NABARD, SHGS

## **INTRODUCTION:**

The origin of the basic word “entrepreneurship” is from a French word “Entrée” “To enter” and “Prendre” “To take” and in general sense applies to any person starting a new project or trying a new opportunity.

Woman entrepreneurs may be defined as a woman or a group of woman who initiate, organize and run a business enterprises. Woman owned business are highly increasing.

“You can tell the condition of a nation by looking at the status of its woman”- by- Jawaharlal Nehru.

The definition given by the Govt. of India for woman entrepreneurship, “An enterprise owned and controlled by a woman and having a minimum financial interest of 51% of the capital and giving at the least 51% of the employment generated in the enterprises to woman”.

The economic employment of woman is being regarded these days as a sine-quo-non of progress for a country; hence the issue of economic employment of woman is of paramount importance to political thinkers, social scientists and reformers.

Women entrepreneurship needs to be studied separately for two main reasons. The first reason is that women entrepreneurship has been recognized during the last decade as an important untrapped source of economic growth. Women entrepreneurship create new jobs for themselves and others & also by being different. They provide the society with different solutions, like management organization and solutions to the business problems, as well as the exploitation of entrepreneurial opportunities.

The second reason is that the topic of women entrepreneurship has been largely neglected both, in society in general and in the social sciences. Entrepreneurship among women has been a recent concern.

This article analyses the role of woman entrepreneurs in the growth of the Indian economy and the impact of banking institutions on their growth. The study is divided into four parts; the first part deals with growth of women entrepreneurs in the country, the second part deals tapping this growth through finances obtained through banking institutions, third deals with the role of SHGs in empowering women entrepreneurs, and the fourth part deals with the policies of the government in providing conducive environment for their business and growth.

### **OBJECTIVE OF THE STUDY:**

- 1- To study the role of women entrepreneurship in the growth of Indian Economy.
- 2- To study the impact of banking institutions on their growth.

### **METHODOLOGY OF STUDY:**

The study focuses on extensive study of secondary data collect from various books, National journals publications from various websites which focused on the role of women entrepreneurship in the growth of the Indian economy.

### **LITERATURE REVIEW:**

The literature review is divided into four parts. The first part of the literature review showcases the growth of women entrepreneurs in India. It is estimated that women entrepreneurs presently comprise about 10 percent of the total number of entrepreneurs in India, with the percentage growing every year. The studies also reveal that a number of women entrepreneurs have been encouraged to undertake entrepreneurial activities.

Empirical evidence shows that women contribute significantly to the running of family businesses mostly in the form of unpaid effort and skills. The development of women entrepreneurship has become an important aspect of our plan priorities. Several policies and programmes are being implemented for the development of women entrepreneurship in India.

The second part of the literature review focuses upon the problem of finances for women entrepreneurs which has led to several failures. Year 2012 shows that women often have fewer opportunities than men to gain access to credit for various reasons, including lack of collateral, unwillingness to accept household assets as collateral, and negative perceptions of female entrepreneurs by loan officers. According to a report by the United Nations Industrial Development Organisation (UNIDO), 'Despite evidence that women's loan repayment rates are higher than men's, women still face more difficulties in obtaining credit', often due to discriminatory attitudes of banks and informal lending groups (UNIDO, 1995). Lack of knowledge about marketing the product was the major problem faced by 76 per cent of the respondents. 74 per cent faced financial problems regarding loan and subsidy, whereas inadequate government assistance was reported as a problem by 70 per cent respondents (*International Journal of Social Science and Interdisciplinary Research*, 2013).

The third part of the literature review studies the impact and role of SHGs in the growth of women entrepreneurs in promoting finances for them, and empowering them through capacity building programmes. There are significant gender differences in the access to and use of credit, particularly formal credit. The role of micro-credit is to improve the socio and economic development of women and improve the status of women in households and communities. Micro-credit is promoting the small scale business enterprises, and its major aim is to alleviate poverty by income generating activities.

NABARD launched a pilot project for women on SHGs in collaboration with commercial banks and regional rural banks. In addition, refinancing facilities are available through national banks for financing under the non-farm sector.

The fourth part of the literature review studies about the future policies of the government which provide a conducive environment for the business and livelihood of women entrepreneurs. According to the final report of the fourth All India census of the micro, small and medium enterprises (MSME) in the unregistered sector shows that the rural areas had a larger share of unregistered MSME sector as compared to urban areas in respect of enterprises, employment, gross output, and that the urban areas were dominated by the original value of plant and machinery and market value of fixed asset.

However, these are not enough as most of the women entrepreneurs are based in the unorganized unregistered rural sector of the economy. The literature review conducted throws light upon the growth of women entrepreneurs in the country, challenges faced by them, and the financial constraints.

### **DATA ANALYSIS AND INTERPRETATION:**

Women entrepreneurship is growing at a rapid rate in the world. The factors influencing these women across sectors globally are opportunities created by globalisation, integrated markets and jobs, support from the family, major support from the government through various programmes started internationally and domestically for women entrepreneurs, improvement in their standards, and health and education.

The beauty of women entrepreneurship is the motivation for other women to come up and participate with equal opportunities and maintain the enterprises. Across the world maximum startups have failed due to financial problem faced by women entrepreneurs, but today due to SHGs, trust have been built amongst the women entrepreneurs to realize and make their dreams come true. There for, this type of growth is truly and inclusive growth in India.



**Table:1****State-wise Distribution of Proprietary MSMEs by Gender of Owners [NSS 73<sup>rd</sup> Round]**

Sl. No.	State/UTs	Male	Female	All	Share of State among All MS-MEs with Male Owners(%)	Share of State among All MS-MEs with Female Owners (%)
1	West Bengal	5583138	2901324	8484462	11.52	23.42
2	Tamil Nadu	3441489	1285263	4726752	7.10	10.37
3	Telangana	1459622	972424	2432046	3.01	7.85
4	Karnataka	2684469	936905	3621374	5.54	7.56
5	Uttar Pradesh	8010932	862796	8873728	16.53	6.96
6	Andhra Pradesh	2160318	838033	2998351	4.46	6.76
7	Gujarat	2375858	826640	3202499	4.90	6.67
8	Maharashtra	3798339	801197	4599536	7.84	6.47
9	Kerala	1647853	495962	2143816	3.40	4.00
10	Rajasthan	2261127	380007	2641134	4.67	3.07
11	Madhya Pradesh	2275251	370427	2645678	4.70	2.99
12	Jharkhand	1250953	310388	1561341	2.58	2.51
13	Odisha	1567395	295460	1862856	3.24	2.38
14	Punjab	1183871	224185	1408056	2.44	1.81
15	Bihar	3239698	168347	3408044	6.69	1.36
16	Haryana	831645	98309	929953	1.72	0.79
17	Delhi	827234	86742	913977	1.71	0.70
18	Manipur	86383	86604	172987	0.18	0.70
19	Jammu & Kashmir	624056	74785	698841	1.29	0.60
20	Chhattisgarh	727203	71201	798403	1.50	0.57
21	Assam	1128411	66665	1195076	2.33	0.54
22	Himachal Pradesh	329595	50368	379963	0.68	0.41
23	Meghalaya	72191	39462	111653	0.15	0.32
24	Tripura	179169	28042	207212	0.37	0.23

Source: Micro small and medium industries report from the ministry under the government of India 2020-2021

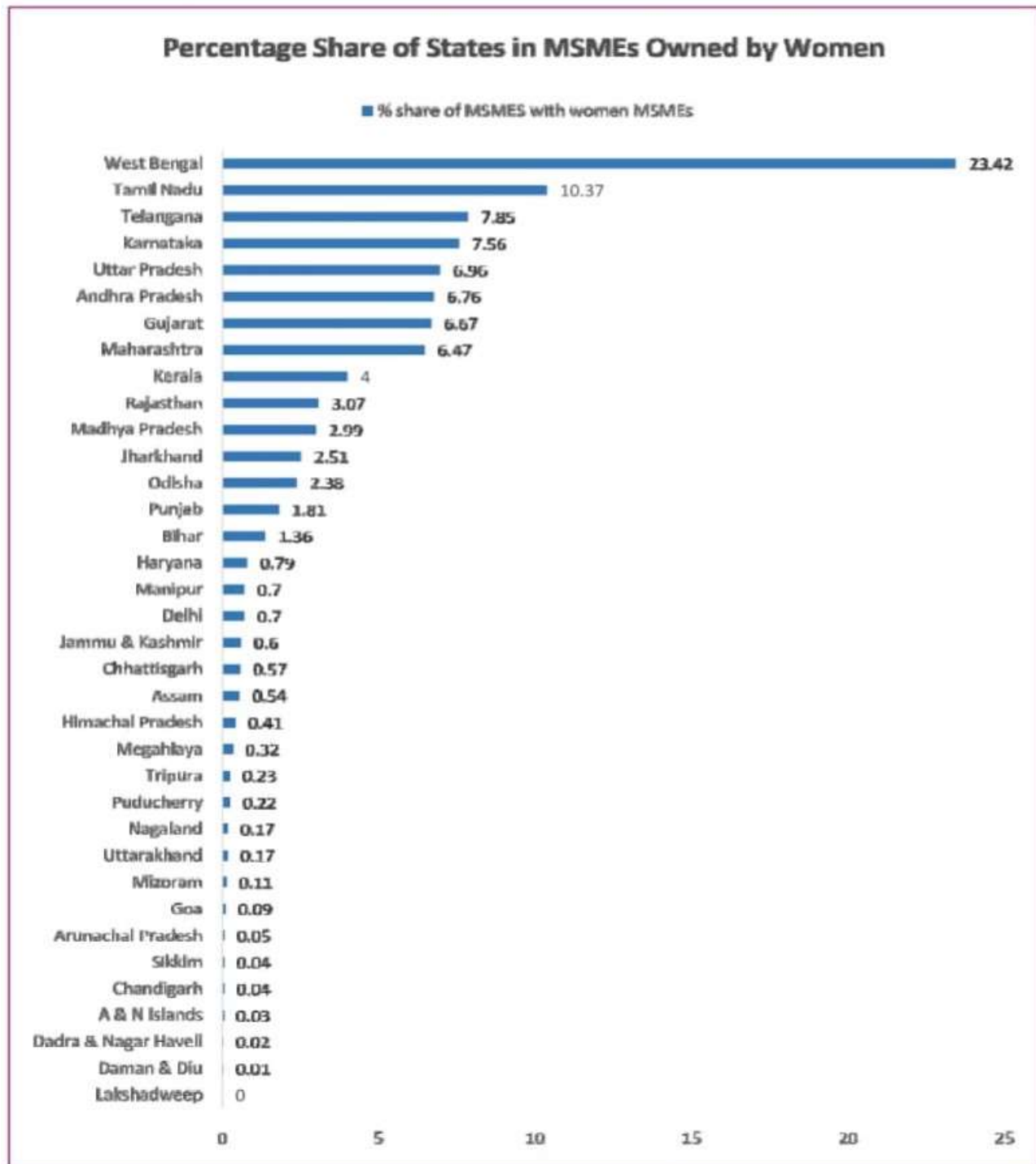
**Table :2****Women beneficiaries under PMEGP since inception (i.e. 2008-09 – 31.12.2020)**

(Micro Enterprises / Projects: in Numbers)

<b>YEAR</b>	<b>WOMEN ENTREPRENEURS (BENEFICIARIES) UNDER PMEGP</b>
2008-09	4930
2009-10	10845
2010-11	12072
2011-12	14299
2012-13	13612
2013-14	13448
2014-15	13394
2015-16	11356
2016-17	14768
2017-18	15669
2018-19	25434
2019-20	24720
2020-21 (upto 31.12.2020)	11823
<b>TOTAL SINCE INCEPTION (UP TO 31-12-2020)</b>	<b>186370</b>

Source: IFC report on Micro, Small And Medium Enterprise Finance 2020-2021



**Table :3****Percentage share of States in MSMEs owned by Women**

Source: Micro small and medium industries report from the ministry under the government of India (MSME at a Glance-2021)

**CONCLUSION**

According to the study it has been observed that Women are very good entrepreneurs, and prefer to choose the same as they can maintain work life balance. Even though we have many successful Women Entrepreneurs in our country, but as we have a male dominated culture there are many challenges which women entrepreneurs face from family & Society. This article highlights the importance and need of the rural women entrepreneurs to be included in the government's registered sector which would pave the way for economic development of the country. Thus, it can be asserted that women entrepreneurs can perform better, both in urban and rural areas, given that the government provides them financial support by including them under the registered sector.