

# Promoting Women Entrepreneurship in India: Opportunities & Challenges

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## 1. INTRODUCTION

Entrepreneurship is considered as one of the most important factors contributing to the economic development of the society. There are evidences to believe that countries which have proportionately higher percentage of entrepreneurs in their population have developed much faster as compared to countries, which have lesser percentage of them in the society. Entrepreneurship has been a male-dominating field from ancient times in India, women constitute around 48 percent of the population but their participation in the economic activities is only 34 percent. As per the Human Development Report (2007), India ranks 96th on the gender related development index of 137 nations. The gender empowerment measures, which estimate the extent of women participation in the country's economic and political activities, rank India as 110th of the 166 nations. In our societies Indian women are treated as show pieces to be kept at home. But in the modern times the situation has changed and women come out of the boundary in all activities. They are ready to take burden of work in the house as well as the work place. From many survey it is discovered that the female entrepreneurs from India are producing more capitals than the other part of the world and have become the most innovative and inspirational entrepreneurs. As Pt. Jawaharlal Nehru said, **“In order to awaken the people it is the women who have to awaken. Once she is on move, the family moves, the village moves, the nation also moves”**.

Women Entrepreneurship means not only an act of business ownership, it also boosts the economy for everyone, and the empowered women can smash scarcity - not only for themselves, but for their families, societies, and countries too. As per Government of India “An enterprise owned and controlled by a women having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generated by the enterprise to women. Now the modern world as well as the democratic economy is now balanced by the participation of both sexes. Women

entrepreneurs have been making a significant blow in all the segments of the economy which is more than 25% of all types of business. A Woman constitutes the family, which leads to society and Nation. Social and economic development of women is necessary for overall economic development of any society or a country. Due to change in environment, now people are more comfortable to accept leading role of women in our society, though there are some exceptions. She has competed with man and successfully stood up with him in every walk of life and business. These women leaders are assertive, persuasive and willing to take risks. They managed to survive and succeed in this cut throat competition with their hard work, diligence and perseverance. Some of the factors responsible for these changes are better education, changing socio-cultural values and need for supplementary income. When proper exposure, education and knowledge will be imparted to Indian women, they will prove themselves as an potential and productive force for the development of the nation.

With this background in this review paper we are focusing on:

- The factors responsible for encouraging women to become entrepreneurs.
- The support given by the government to women entrepreneurs.
- To examine the challenges faced by women entrepreneurs

## Factors Responsible For Encouraging Women to Become Entrepreneurs

Days have gone when women always passed her whole life within the boundaries of House, now women are found to participate in every line of business. The entry of women into business in India is an extension of their normal kitchen activities, mainly 3P's, Pickle, Powder and Pappad. But with the spread of education and passage of time women started shifting from 3P's to modern 3E's i.e., Energy, Electronics and Engineering. Self-esteem, recognition, Self-determination, and career goal are the key drivers for choosing to entrepreneurship by women. Sometimes, women choose such

career path for proving their potential, caliber in order to achieve self-satisfaction. However, dismal economic conditions of the women arising out of unemployment in the family and divorce can drive women towards entrepreneurial activities. They are growing as designers, interior decorators, exporters, publishers, garment manufacturers and still exploring new avenues of economic participation. Factors that normally make women to be entrepreneurs include:

1. Skill and knowledge
2. Innovative thinking
3. To earn money,
4. For Power and Self Achievement
5. Family occupation.
6. Self-identity and Social Status
7. Did not want to work for others.
8. Want to take independent decisions
9. Support of family members
10. Success stories of friends and relatives motivate them to become entrepreneur.
11. Bright future of their wards.
12. Adaptability in business
13. Due to some traumatic event, such as divorce, discrimination due to pregnancy, the health of a family member

## 2. SUPPORT GIVEN BY INDIAN GOVERNMENT

Development of women has been a policy objective of the government since independence until the 70s the concept of women's development was mainly welfare oriented. In 1970s, there was a shift from welfare approach to development approach that recognized the mutually reinforcing nature of the process of development. The 80s adopted a multi-disciplinary approach with an emphasis on three core areas of health, education and employment. Women were given priorities in all the sectors including Small scale industrial sector. Government and non-government bodies have paid increasing attention to women's economic contribution through self-employment and industrial ventures. Significant schemes in India specifically introduced for women to provide special benefits to them are-

1. Trade related entrepreneurship assistance and development scheme for women (TREAD): With the objective of encouraging women in starting their own ventures, government launched a Scheme, namely, (TREAD) Trade Related Entrepreneurship Assistance and Development during the 11th Plan. The scheme envisaged economic empowerment of women through the development of their entrepreneurial skills in non-farm activities. Under this 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): The C.D.P goals at improving 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. 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 guarantee.
4. Entrepreneurial and Managerial Development Programmes (EDPs/MDPs): 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.

**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)
- 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)

The efforts of the Govt. of India, Banks, NGOs and various other associations have encouraged the women to start up and sustain in the entrepreneurial activities. They have also facilitated the woman empowerment. Women Empowerment is considered essential for achieving the goals for sustainable and inclusive development.

**Women Entrepreneur Associations:** The efforts of government and its different agencies are supplemented by NGOs and associations that are playing an equally important role in facilitating women empowerment. List of various women associations in India is provided below.

#### Details of Women Entrepreneur Associations In India

- Federation of Indian Women Entrepreneurs (FIWE)
- Consortium of Women Entrepreneurs (CWEI)
- Association of Lady Entrepreneurs of Andhra Pradesh
- Association of Women Entrepreneurs of Karnataka (AWAKE)
- Self-Employed Women's Association (SEWA)
- Women Entrepreneurs Promotion Association (WEPA)
- The Marketing Organization of Women Enterprises (MOOWES)
- Bihar Mahila Udyog Sangh
- Mahakaushal Association of Woman Entrepreneurs (MAWE)
- SAARC Chamber Women Entrepreneurship Council
- Women Entrepreneurs Association of Tamil Nadu (WEAT)
- Tie Stree Shakti (TSS)
- Women Empowerment Corporation

#### Successful Leading Business Women In India

The 21st leading business women in India:-

- Akhila srinivasan, Managing Director, Shriram Investments ltd.
- Chanda Kocchar, Executive Director, ICICI Bank
- Ekta Kapoor, Creative Director, balaji Telefilms Ltd.
- Jyoti Naik, President, Lijjat Papad.
- Kiran Mazumdar Shaw, Chairman & Managing director, Biocon Ltd.
- Lalita D.Gupte, JMD, ICICI Bank.
- Naina Lal Kidwar, Deputy CEO, HBSE.
- Preetha Reddy, Managing Director, Apollo hospitals.
- Priya Paul, Chairman, Apeejay Park Hotels.

- Rajshree Pathy, Chairman, Rajshree Sugars & Chemicals Ltd.
- Ranjana Kumar, Chairman, NABARD.

#### Challenges In The Path Of Women Entrepreneurs In India

Women in India are faced many problems to get ahead their life in business. A few problems can be detailed as;

- Lack of Self-Confidence.
- Socio-Cultural Barriers
- Male dominated society
- Lack of education
- Shortage of raw materials
- Problem of finance
- Tough competitions
- Low risk-bearing capacity
- Limited mobility
- Lack of entrepreneurial aptitude
- Limited managerial ability
- Legal formalities
- Absence of proper support, cooperation and back-up for women by their own family members.

#### 3. CONCLUSION AND POLICY IMPLICATIONS

So women searching for self identity, social status and welfare of his family members and so many reasons encouraged to choose women entrepreneurship and these opportunities to become women entrepreneurs are perfectly backed by our government through various polices and schemes such as Trade related entrepreneurship assistance and development scheme for women (TREAD), Mahila Samiti Yojana, Entrepreneurial and Managerial Development Programmes (EDPs/MDPs) etc. But still there are obstacles in path of achieving success in field of business entrepreneurs as problem of finance, tough competition, Socio-Cultural Barriers etc. Although women entrepreneurs are gaining recognition, still there is a long way they have to go. The transition from homemaker to women entrepreneur is not so easy and in the same way it is also difficult for a woman to succeed and sustain in her business. She has to learn from her experiences, adapt herself and overcome the challenges in her field. She has to creatively utilize her strengths to overcome the threats and grab all the opportunities to minimize her weaknesses.

The principal factor in developing entrepreneurship among women is not in terms of infrastructure or financial assistance or identifying an enterprise but it is all about the platform for empowering women. It is crucial for achieving the goals of sustainable development and the bottlenecks hindering their growth must be reduced to enable full participation in the business. Apart from training programs newsletters, mentoring, trade fairs and exhibitions also can be a source for entrepreneurial development. As a result, the desired outcomes of the business are quickly achieved and more of remunerative

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business opportunities are found. Therefore promoting entrepreneurship among Indian women is certainly a short-cut to rapid economic growth and development.

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