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Opportunities for Female Entrepreneurs in India

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Abstract: *In today's world, women entrepreneurs are playing very vital role and they have become important part of the global business environment and it's really important for the sustained economic development and social progress. In India, though women are playing key role in the society, but still their entrepreneurial ability has not been properly tapped due to the lower status of women in the society. The main purpose of this paper is to find out the status of women entrepreneurs in India. This paper includes rationale grounds behind the women entrepreneurship. Another main purpose of this paper is to analyze policies of Indian government for women and also to analyze that are those policies adequate for the growth of women entrepreneurship. Main reasons for women to become an entrepreneur, the institutions that are serving the women to put their views into action are also included in this study. On the basis of this study some suggestions are given to encourage spirit of women entrepreneurship to become a successful entrepreneur.*

INTRODUCTION

Women Entrepreneurs may be define as the women or a group of women who commence and operate a business venture. . Like a male entrepreneurs a women entrepreneur has many functions. They should explore the prospects of starting new enterprise; undertake risks, introduction of new innovations, coordination, administration and control of business and providing effective leadership in all aspects of business. Government of India has described women entrepreneurs as an enterprise/venture owned and controlled by women having at least financial interest of 51% of the capital and giving at least 51% of employment generated in the organization to women.

Women Entrepreneurs are highly increasing in the economies of almost all countries. The hidden business potentials of women have been increasing with the growing sensitivity to the role and economic status in the society. The knowledge, Skill and compliance in business are the core reasons for women to come forward into business ventures. Women entrepreneurs engage in business due to push and pull factors which give confidence to women to have an self-sufficient occupation and stands on their foots. Logic towards independent decision making on their life and career is the motivational factor behind this insists on 'Women Entrepreneur' is a person who accepts challenging role to meet her personal desires and turn out to be economically independent. A strong desire to do enormous positive is an

integral quality of entrepreneurial women, who is competent of contributing values in both family and social life. With the introduction of media, women are conscious of their own qualities, rights and also the work situations. The glass ceilings are shattered and women are found indulged in every line of business from aachaar to telecommunication. Right efforts in all areas are vital in the development of women entrepreneurs and their greater involvement in the entrepreneurial activities.

OBJECTIVES OF THE STUDY

- To find out the factors which encourage women to become entrepreneurs?
- To study the support given by the government to women entrepreneurs.
- To examine the obstacles faced by women entrepreneurs.
- To draw conclusions and offer suggestions

LITERATURE REVIEW

Tambunan, (2009), made a study on recent developments of women entrepreneurs in Asian developing countries. The study focused mainly on women entrepreneurs in small and medium enterprises based on data analysis and review of recent key literature. This study found that in Asian developing countries

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SMEs are gaining overwhelming importance; more than 95% of all firms in all sectors on average per country. The study also depicted the fact that representation of women entrepreneurs in this region is relatively low due to factors like low level of education, lack of capital and cultural or religious constraints. However, the study revealed that most of the women entrepreneurs in SMEs are from the category of forced entrepreneurs seeking for better family incomes.

Das, 2000 performed a study on women entrepreneurs of SMEs in two states of India, viz, Tamil Nadu and Kerala. The initial problems faced by women entrepreneurs are quite similar to those faced by women in western countries. However, Indian women entrepreneurs faced lower level of work-family conflict and are also found to differ from their counterparts in western countries on the basis of reasons for starting and succeeding in business. Similar trends are also found in other Asian countries such as Indonesia and Singapore. Again the statistics showed that the proportion of business setup and operated by women is much lower than the figures found in western countries.

Singh, 2008, identifies the reasons & influencing factors behind entry of women in entrepreneurship. He explained the characteristics of their businesses in Indian context and also obstacles & challenges. He mentioned the obstacles in the growth of women entrepreneurship are mainly lack of interaction with successful entrepreneurs, social unacceptance as women entrepreneurs, family responsibility, gender discrimination, missing network, low priority given by bankers to provide loan to women entrepreneurs. He suggested the remedial measures like promoting micro enterprises, unlocking institutional frame work, projecting & pulling to grow & support the winners etc. The study advocates for ensuring synergy among women related ministry, economic ministry & social & welfare development ministry of the Government of India.

Lall & Sahai, (2008), conduct a comparative assessment of multi-dimensional issues & challenges of women entrepreneurship, & family business. The study identified Psychographic variables like, degree of commitment, entrepreneurial challenges & future plan for expansion, based on demographic variables. Through stratified random sampling & convenience sampling the data have been collected from women entrepreneurs working in urban area of Lucknow. The study identified business owner's characteristics as self perception self esteem, Entrepreneurial intensity & operational problem for future plans for growth & expansion. The study suggested that though, there has been considerable growth in number of

women opting to work in family owned business but they still have lower status and face more operational challenges in running business.

Greene et.al. (2003), evaluate the research & publication contribution in the area of women entrepreneurship. The study categorized various journal & resources of research on the basis of certain parameters concerned with women entrepreneurship like gender discrimination, personal attributes, financing challenges, business unit, context and feminist perspectives. Damwad, (2007), describes the experiences, initiatives & obstacles faced at five Nordic countries like Finland, Denmark, Iceland, Norway & Sweden towards women entrepreneurship. It broadly identifies few obstacles like financing, lack of knowledge & skills in business life, markets & entrepreneurial activity, work life balance including lack of growth & wishes to grow and most importantly women as other groups are heterogeneous.

WOMEN ENTREPRENEURSHIP

For any developing country, Women entrepreneurs play the vital role particularly in terms of their contribution to the economic development. Women entrepreneurship has been recognized as an important source of economic growth. By establishing their new venture women entrepreneurs generate new jobs for themselves and others and also provide society with different solutions to management, organization and business problems. However, they still represent minority as women entrepreneurs, especially in India. Women entrepreneurs often face gender-based barriers to starting and growing their businesses, like discriminatory property, matrimonial and inheritance laws and/or cultural practices; lack of access to formal finance mechanisms limited mobility and access to information and networks, etc. Women's entrepreneurship can make a particularly 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 assisting and promoting women entrepreneurs through various schemes, incentives and promotional measures.

Over the past few decades women are coming out of the boundaries of houses and proving their ability and competencies in the business world. Today the roles of women are not confined to the traditional role of a mother or a housewife. The role of modern women is much wider than, what it was

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previously. A woman has to play multiple roles, besides playing the role of housewife/mother/daughter, she has to play different roles in community in the social settings simultaneously. Because of Indian culture traditional customs women, even after 63 years of independence, are facing bias. This has adversely affected the status of Indian business women.

REASONS FOR WOMEN TO BECOME ENTREPRENEURS:

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 compel women into entrepreneurial activities.

The days have gone when women always passed her whole life within the boundaries of house now women are found indulged in every line of business. The entry of women into business in India is an extension of their normal home activities. But with the spread of education and passage of time women started shifting from doing work at home or kitchen to the business venture. Skill, knowledge and adaptability in business are the main reasons for women to emerge into business ventures. 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 of digital era are growing rapidly that the job seekers are turning into job creators. Many women start a business due to some traumatic event, such as divorce, discrimination due to pregnancy or the corporate glass ceiling, the health of a family member, or economic reasons such as a layoff. But a new talent pool of women entrepreneurs is forming today, as more women opt to leave corporate world to chart their own destinies. They are growing as designers, interior decorators, exporters, publishers, garment manufacturers and still exploring new avenues of economic participation.

OBSTACLES IN THE PATH OF WOMEN ENTREPRENEURS IN INDIA

Highly educated, talented and professionally qualified women should be encouraged for running their own business, rather

than reliant on wage service jobs. The uncharted talents of young women can be acknowledged, skillful and used for various types of industries to increase the yield in the business sector. A desirable atmosphere is necessary for every woman to inculcate entrepreneurial values and involve greatly in business dealings. But Women in India are faced many problems to get ahead their life in business. A few problems can be detailed as;

Short Of Self-Confidence – In India women have lack of self-confidence in their strength and ability. The family members and the society are unwilling to stand beside their organizational growth. To a certain degree, this situation is changing with Indian women and yet to face an incredible amend to boost the rate of growth in entrepreneurship.

Socio-Cultural Barriers –family and personal obligations sometimes works as a great barrier for succeeding in business career of women entrepreneurship. Only few women are capable of managing both home and business efficiently, giving sufficient time to perform all their responsibilities in priority.

Risks Related To Market – tuff competition in the market and lack of mobility of women make them dependent on middleman essential. Many business women find it very difficult to capture the market share and make their products well popular and accepted by customer. They are not fully conscious of the changing market environment conditions and hence can effectively exploit the services of media and internet.

Mobility Constraints - Women in India have to face lot of restriction on their mobility, our society still have some conservativeness, and due to that career of women is limited to four walls of kitchen. Though women faced lots of problems being mobile in entrepreneurial activity, the mobility problem has been eliminated to very certain extent by the expansion of education awareness to all.

Business Administration Knowledge – Women must be educated and trained continuously to acquire the skills and understanding in all the required functional areas of business venture. This will make women to excel in decision making and develop good business skills.

Financial Assistance – most of the women especially in rural areas are not aware about the financial assistance provided by

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various institutions. The efforts taken for women entrepreneurs may not be able to reach the entrepreneurs in rural and backward areas.

Training Programs - Depending upon the needs, duration, skill and the purpose of entrepreneur there are various workshops and training programs available through the social & welfare association. Such kinds of programs are really helpful to new and young entrepreneurs who desire to start a small and medium sized business on their own.

Cost - Some businesses have high production and operation costs that adversely affect the expansion of women entrepreneurs. The installations of new machineries during expansion of the productive capacity and like similar factors discourage the women entrepreneurs from entering into new areas.

SCHEMES FOR PROMOTION AND DEVELOPMENT OF WOMEN ENTREPRENEURS

According to the Third All India Census of Small Scale Industries conducted in 2001-02 and subsequent estimates made, only 10.11% of the Micro and Small Enterprises in India are owned by women while 9.46% of the MSE enterprises are managed by women. In order to promote progressively women enterprises in the MSE sector, various schemes have been formulated by this Ministry and some more are in the process of being finalized, aims only at the development of women enterprises in India.

Significant schemes in India those specifically introduced for women for

providing special benefits to women-

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. There are three major parts of the scheme; Govt. of India has grant up to 30% of the total project cost to the Non-Government

Organizations (NGOs) for promoting entrepreneurship among women. The remaining 70% of the total project cost is financed by the lending agency as loan for undertaking activities as

envisaged in the project. 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):

a) Existing Clusters:

Cluster is described as a group of enterprises, normally 20 or more producing same/similar products/services. The Cluster Development Programme being implemented envisages diagnostic study of identified clusters of traditional skill-based MSEs to identify suitable technologies and their providers and to facilitate adoption of available technology meeting the specific needs of the end users. The Cluster Development goals are improved 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.

b) Physical infrastructure:

This Ministry implemented the IID Scheme to provide developed sites with infrastructural facilities like exhibition/display centers, telecommunications, drainage and pollution control facilities power distribution network, roads, water, raw materials, common service facilities storage and marketing outlets, and technological back-up services, etc. This scheme has been subsumed in the MS-ME-Cluster Development Programme. All the features of IID Scheme have been retained.

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 guarantees. The Scheme is being operated by the Credit Guarantee Fund Trust for Small Industries (CGTSI) set up jointly by the Government of India and SIDBI. In the case of women enterprises, the guarantee cover is up to 80% of the credit subject to maximum guarantee limit of Rs. 20 lakh. The member lending institutions (MLI) availing of guarantee from the Trust have to pay a one-time guarantee fee of 1.5% of the credit

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facility (comprising term loan and / or working capital) allowed by the lending institution to the borrower and annual service fee of 0.75% per annum on the amount of credit facility extended by the MLI, which is covered under the scheme.

4. Help for Entrepreneurial and Managerial Development:

MSME DIs regularly conducts EDPs/MDPs for existing and potential entrepreneurs and charge fee for such courses. 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. through specialized courses run by MSME DIs. 20% of courses conducted by these Institutions shall be exclusively for women

5. Scheme for Women Entrepreneurs to Encourage Small & Micro Manufacturing Units DC (MSME) has formulated a scheme for women entrepreneurs to support Small & Micro manufacturing units owned by women in their efforts at developing overseas markets, to enhance participation of representatives of small/micro manufacturing enterprises under SIDO stall at International Trade Fairs/Exhibitions, to enhance export from such units. Under this scheme participation of women entrepreneurs in 25 international exhibitions is envisaged during the 11th Plan.

For the year 2007-08 a good number of outstanding women entrepreneur associations have been requested to sponsor their members for participation in 5 international exhibitions scheduled during the months of Jan.-March, 2008, With a view to give confidence to women entrepreneurs for participating in the International Exhibitions.

6. Dena Bank to support India's women entrepreneur. Dena Bank will help Government of India's initiative to promote women entrepreneurs for self-employment ventures in any kind of non-farm activity.

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)

CONCLUSION

Empowering women entrepreneurs 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 business opportunities are found. Therefore promoting entrepreneurship among Indian women is certainly a short-cut to rapid economic growth and development. Let us try to eradicate all kinds of gender bias and thus allow 'women' to be a great entrepreneur at par with men.

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