



A Study On Women Entrepreneurship In India

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Abstract:

A recent World Bank report suggests that India has the potential for double-digit economic growth if more women actively participate in the country's economy. In today's modern era, women are taking on various roles alongside their male counterparts in both the private and public sectors. The increasing presence of women in organizations signifies the importance of recognizing their contribution to the nation's development. Over time, women's roles have evolved significantly, from traditional societies to the contemporary global landscape. However, there is still much work to be done to encourage women to pursue entrepreneurship.

Empowerment, in essence, means ensuring that women have equal status, opportunities, and independence. Women's empowerment, in simple terms, entails granting them the freedom to make decisions for themselves and create a more equitable place for them in society. Two crucial factors necessary for the empowerment of Indian women are education and entrepreneurship.

In our country, parents often focus on preparing their daughters for household responsibilities as their primary goal. However, it is equally important to equip them with the skills to earn a living, promoting their financial independence. Encouraging girls to consider entrepreneurship as a viable career option is also essential if they wish to turn their talents into a profession.

This study aims to shed light on the challenges and obstacles that women entrepreneurs face in India. Additionally, it seeks to analyze the existing financial support mechanisms and government funding schemes designed to promote women's entrepreneurship. It's worth noting that this study relies on secondary sources. The primary objective is to identify the key factors that can boost the number of women entrepreneurs while providing relevant suggestions for achieving this goal.

Keyword: Entrepreneur, Women, Empowerment, Financial initiatives.

Introduction:

Indian women are increasingly venturing into entrepreneurship and making a significant mark in the corporate world. They are challenging societal norms and using their intelligence to achieve remarkable success as entrepreneurs. According to a Fortune India report, women such as Zia Mody, Kiran Mazumdar Shaw, Mallika Srinivasan, and Renuka Ramnath serve as inspiring examples, proving that women can excel in the field of entrepreneurship.

However, despite these successes, the share of women entrepreneurs in India remains relatively low at around 19.9% for the financial year 2020-2021, compared to men. This discrepancy could be attributed to a lack of awareness about the financial and loan benefits available for starting and running a business.

In the past, India faced the harsh reality of female infanticide and the burdening of girl children within families. Fortunately, times have changed dramatically, and Indian women are now achieving great success in various sectors, including defense, politics, sports, medicine, and the corporate world. They not only bring pride to their families but also raise the flag of the country on international platforms, breaking traditional societal boundaries. Indian women have even outperformed men in many areas, with a significant contribution to the corporate world.

Recognizing the vital role of women in sustainable development, they have been identified as key contributors. A holistic approach to achieving gender equality can empower women to play a prominent role in national development planning through entrepreneurship.

Objective:

1. To investigate the obstacles and difficulties faced by women entrepreneurs.
2. To assess the financial support options and governmental programs designed for women in entrepreneurship.

Research Methodology:

This paper is analytical in nature as it will evaluate the impact of government financial schemes on the development of women entrepreneurs. Additionally, it will shed light on the challenges and obstacles encountered by women entrepreneurs in India.

Data Collection:

This study relies on secondary data gathered from a variety of sources, including government reports, newspapers, subject-specific information, and compilation from various journals and articles.

Data Analysis and Interpretation:

Indian women have transcended societal barriers and are making their mark in the business world. This transition has not only provided them with newfound financial independence but also an opportunity to showcase their managerial prowess. Entrepreneurship has elevated their self-esteem and bolstered their confidence to excel on the global stage.

While this portrayal may seem promising on paper, the harsh reality is that women entrepreneurs in India continue to encounter challenges and obstacles compared to their male counterparts. Some of these challenges include:

Limited Financial Resources:

Women in India often face financial constraints. They often lack sufficient assets that can serve as collateral security when seeking funds from banks. Moreover, lending institutions may not consider them creditworthy, as they perceive a higher risk of business closure among women entrepreneurs due to their family commitments.

Conflict between Work and Domestic Responsibilities:

In India, the focal point of family responsibilities typically revolves around women. Their commitment to fulfilling domestic needs often acts as a hindrance to their entry into the realm of entrepreneurship. While families appreciate their traditional roles, they may discourage them from pursuing business ventures.

Lack of Family Support:

Women can face criticism and harassment for their professional commitments if they neglect household duties. Male family members may hesitate to provide financial support for women's businesses, harboring doubts about their ability to manage such ventures effectively.

Low Literacy Rates:

The persistently low female literacy rate in India serves as a fundamental cause of various socio-economic challenges in the country. Women in India continue to face educational disparities. This educational gap leaves them ill-equipped to handle technical and managerial challenges. Despite government initiatives like Beti Bachao Beti Padhao Yojana, Mahila Shakti Kendra, and Mahila E-Haat, the majority of women lack access to sufficient resources, exacerbated by the challenges posed by the pandemic's shift to online platforms.

The Government's Roadmap to Address Challenges Faced by Women Entrepreneurs:

In the modern era, businesses oriented toward women are gaining momentum, particularly in the small and medium-scale sector. It is now widely recognized that this substantial human resource, comprising half of the population, can make a significant contribution to economic development. Women possess the skills and determination to excel in entrepreneurship. In this age of globalization and liberalization, the number of women entrepreneurs is steadily increasing. Women can genuinely realize their empowerment dreams through entrepreneurship.

The Government of India has taken several initiatives to support women in launching their own businesses. The government offers assistance to women entrepreneurs through Self-Help Groups and various schemes, including Start-up India, Skill India Mission, Stand Up India, Mahila-e-Haat, Dena Shakti Yojana, St. Kalyani Scheme, Mahila Coir Scheme, Support for Training and Employment Program for Women (STEP) Scheme, and Women's Enterprise Fund Scheme. Among these, some of the top schemes aimed at assisting and financially empowering aspiring women entrepreneurs include:

Women's Entrepreneurship Platform (WEP):

NITI Aayog has launched the Women's Entrepreneurship Platform (WEP), which serves as a unified platform connecting sponsors and women entrepreneurs. WEP hosts various programs, including skill training, mentorship programs, leadership development initiatives, and business incubation programs. Additionally, it offers opportunities to learn about securing funding, obtaining financial assistance, marketing support, building a community network, and gaining awareness of relevant business laws and regulations.

Bhartiya Mahila Bank:

The Bharatiya Mahila Bank extends loans of up to 20 crore rupees to women entrepreneurs engaged in manufacturing businesses. Notably, collateral security is not required for loans below 1 crore rupees. It's worth mentioning that this bank has since merged with the State Bank of India.

Mudra Yojana Scheme:

The Mudra Yojana Scheme is designed to assist women in starting and expanding their small businesses. This scheme is accessible to all, with loan limits ranging from 50,000 rupees to 10 lakh rupees. Importantly, collateral security is not a prerequisite for these loans. Under this scheme, loans can be obtained in three categories:

Shishu: Up to 50,000 rupees loan
Kishor: 50,000 to 5 lakh rupees loan
Tarun: 5 lakhs to 10 lakh rupees loan

Udyogini Scheme:

The Udyogini Scheme, initiated by the Government of India, provides loans to women entrepreneurs at significantly reduced interest rates. Women between the ages of 18 to 45, with a family income below 45,000 rupees, can secure a loan of one lakh rupees to start their business. Widow and disabled women are exempt from the family income limit. Moreover, for SC/ST category women, there is a provision of subsidy of up to 10,000 rupees or 30% of the sanctioned loan amount, whichever is lower.

These initiatives not only empower women to become self-reliant but also enable them to create employment opportunities. It is imperative to continue promoting entrepreneurship among women by increasing awareness programs on training, skill development, funding opportunities, and grievance resolution. These efforts can foster innovation, generate employment prospects, and contribute to the transformation of the Indian economy.

Conclusion:

Although the contribution of Indian women as entrepreneurs has seen an increase over the past decade, there is still a considerable distance to be covered. According to the Economic Census conducted by the IMF, only 16% of Indian women express a inclination towards starting their own businesses. A report by Dell and the Global Entrepreneurship and Development Institute (GED) further indicates that India's relative ranking in women's entrepreneurship has slipped from 13th place to 16th place. Clearly, there is much room for improvement in the development of high-potential women entrepreneurs in India.

In the realm of large-scale and technology-based businesses in India, significant opportunities remain for women entrepreneurs. The majority of companies led by women entrepreneurs are either self-funded or micro-enterprises. Their participation in small-scale industries is also notably limited. According to the 3rd All India Census of Small Industry, only 11% of Micro and Small Industries were operated by women.

The journey towards women's empowerment through entrepreneurship is indeed long. To address this gap, consistent efforts should be made to ensure that women benefit from the various government schemes introduced to support business endeavors. Several studies have shown that these government initiatives have greatly assisted women entrepreneurs in achieving self-employment, personal development, and financial stability.

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