

WOMEN ENTREPRENEURS IN INDIA

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Abstract

One primary objective of this paper is to find out the status of women entrepreneurs in India. In Hindu scriptures, woman has been described as the embodiment of shakti. But in real life she is treated as Abla.. This paper includes rationale behind the women entrepreneurship. Another main objective of this paper was to analyse policies of Indian government for women and also to analyse that are those policies enough for the growth of women entrepreneurship.

Main reasons for women to become an entrepreneur, the institutions that are helping the women to put their thoughts into action are also included in this study.

Another objective of this paper was to deeply analyse the profile of women entrepreneurs and problems faced by them while pursuing their business. On the basis of this analysis some recommendations are given to promote spirit of women entrepreneurship and helping the women to become a successful entrepreneur.

Independence brought promise of equality of opportunity in all sphere to the Indian women and laws guaranteeing for their equal rights of participation in political process and equal opportunities and rights in education and employment were enacted. But unfortunately, the government sponsored development activities have benefited only a small section of women. The large majority of them are still unaffected by change and development activities have benefited only a small section of women i.e. the urban middle class women. The large majority of them are still unaffected by change and development. The reasons are well sighted in the

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discussion part of this article. It is hoped that the suggestions forwarded in the article will help the entrepreneurs in particular and policy-planners in general to look into this problem and develop better schemes, developmental programmes and opportunities to the women folk to enter into more entrepreneurial ventures. This article here tries to recollect some of the successful women entrepreneurs like Ekta Kapoor, Creative Director, Balaji Telefilms, Kiran Mazumdar Shaw, CEO, Biocon, Shahnaz Husain and Vimalben M Pawale, Ex President, Sri Mahila Griha Udyog Lijjat Papad (SMGULP), Schauna Chauhan CEO, Parle Agro, Alish Chauhan, Director, Parle Agro and Founder V3 Fitness Commune, Nadia Chauhan, Director, Parle Agro.

Key Words:

- Rationale behind Women Entrepreneurship
- Nature of business Indian Women are into
- Government's Policy for Women
- Problems faced by women Entrepreneurs
- Schemes for development and promotion of women entrepreneurs

Introduction:

In Hindu scriptures, woman has been described as the embodiment of shakti. But in real life she is treated as Abla..

Women Entrepreneurs may be defined as the women or a group of women who initiate, organize and operate a business enterprise. Government of India has defined women entrepreneurs as an enterprise owned and controlled by a women having a minimum financial interest of 51% of the capital and giving at least 51% of employment generated in the enterprise to women. 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.

Women in business are a recent phenomenon in India. By and large they had confide themselves to petty business and tiny cottage industries. Women entrepreneurs engaged in business due to push and pull factors. Which encourage women to have an independent occupation and stands on their on legs. A sense towards independent decision-making on their life and career is the motivational factor behind this urge. Saddled with household chores and domestic responsibilities women want to get independence Under the influence of these factors the women entrepreneurs choose a profession as a challenge and as an urge to do some thing new. Such situation is described as pull factors. While in push factors women engaged in business activities due to family compulsion and the responsibility is thrust upon them.

Women owned businesses are highly increasing in the economies of almost all countries. The hidden entrepreneurial potentials of women have gradually been changing with the growing sensitivity to the role and economic status in the society. 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 glass ceilings are shattered and women are found indulged in every line of business from 'pappad' to power cables. The challenges and opportunities provided to the women of digital era are growing rapidly that the job seekers are turning into job creators. They are flourishing as designers, interior decorators, exporters, publishers, garment manufacturers and still exploring new avenues of economic participation. In India, although women constitute the majority of the total population, the entrepreneurial world is still a male dominated one. Women in advanced nations are recognized and are more prominent in the business world.

Right efforts on from all areas are required in the development of women entrepreneurs and their greater participation in the entrepreneurial activities.

Following efforts can be taken into account for *effective development of women entrepreneurs*.

1. Consider women as specific target group for all developmental programmes.

2. Better educational facilities and schemes should be extended to women folk from government part.
3. Adequate training programme on management skills to be provided to women community.
4. Encourage women's participation in decision-making.
5. Vocational training to be extended to women community that enables them to understand the production process and production management.
6. Skill development to be done in women's polytechnics and industrial training institutes. Skills are put to work in training-cum-production workshops.
7. Training on professional competence and leadership skill to be extended to women entrepreneurs.
8. Training and counseling on a large scale of existing women entrepreneurs to remove psychological causes like lack of self-confidence and fear of success.
9. Counseling through the aid of committed NGOs, psychologists, managerial experts and technical personnel should be provided to existing and emerging women entrepreneurs.
10. Continuous monitoring and improvement of training programmes.
11. Activities in which women are trained should focus on their marketability and profitability.
12. Making provision of marketing and sales assistance from government part.
13. To encourage more passive women entrepreneurs the Women training programme should be organised that taught to recognize her own psychological needs and express them.
14. State finance corporations and financing institutions should permit by statute to extend purely trade related finance to women entrepreneurs.
15. Women's development corporations have to gain access to open-ended financing.
16. The financial institutions should provide more working capital assistance both for small scale venture and large scale ventures.
17. Making provision of micro credit system and enterprise credit system to the women entrepreneurs at local level.
18. Repeated gender sensitisation programmes should be held to train financiers to treat women with dignity and respect as persons in their own right.
19. Infrastructure, in the form of industrial plots and sheds, to set up industries is to be provided by state run agencies.

20. Industrial estates could also provide marketing outlets for the display and sale of products made by women.
21. A Women Entrepreneur's Guidance Cell set up to handle the various problems of women entrepreneurs all over the state.
22. District Industries Centres and Single Window Agencies should make use of assisting women in their trade and business guidance.
23. Programmes for encouraging entrepreneurship among women are to be extended at local level.
24. Training in entrepreneurial attitudes should start at the high school level through well-designed courses, which build confidence through behavioral games.
25. More governmental schemes to motivate women entrepreneurs to engage in small scale and large-scale business ventures.
26. Involvement of Non Governmental Organisations in women entrepreneurial training programmes and counseling.

Problems of Women Entrepreneurs in India.

Highly educated, technically sound and professionally qualified women should be encouraged for managing their own business, rather than dependent on wage employment outlets. The unexplored talents of young women can be identified, trained and used for various types of industries to increase the productivity in the industrial sector. A desirable environment 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;

- 1) Lack of confidence – In general, women lack confidence in their strength and competence. The family members and the society are reluctant to stand beside their entrepreneurial growth. To a certain extent, this situation is changing among Indian

women and yet to face a tremendous change to increase the rate of growth in entrepreneurship.

- 2) Socio-cultural barriers – Women’s family and personal obligations are sometimes a great barrier for succeeding in business career. Only few women are able to manage both home and business efficiently, devoting enough time to perform all their responsibilities in priority.
- 3) Market-oriented risks – Stiff competition in the market and lack of mobility of women make the dependence of women entrepreneurs on middleman indispensable. Many business women find it difficult to capture the market and make their products popular. They are not fully aware of the changing market conditions and hence can effectively utilize the services of media and internet.
- 4) Motivational factors – Self motivation can be realized through a mind set for a successful business, attitude to take up risk and behavior towards the business society by shouldering the social responsibilities. Other factors are family support, Government policies, financial assistance from public and private institutions and also the environment suitable for women to establish business units.
- 5) Knowledge in Business Administration – Women must be educated and trained constantly to acquire the skills and knowledge in all the functional areas of business management. This can facilitate women to excel in decision making process and develop a good business network.
- 6) Awareness about the financial assistance – Various institutions in the financial sector extend their maximum support in the form of incentives, loans, schemes etc. Even then every woman entrepreneur may not be aware of all the assistance provided by the institutions. So the sincere efforts taken towards women entrepreneurs may not reach the entrepreneurs in rural and backward areas.
- 7) Exposed to the training programs - Training programs and workshops for every type of entrepreneur is available through the social and welfare associations, based on duration, skill and the purpose of the training program. Such programs are really useful to new, rural and young entrepreneurs who want to set up a small and medium scale unit on their own.

- 8) Identifying the available resources – Women are hesitant to find out the access to cater their needs in the financial and marketing areas. In spite of the mushrooming growth of associations, institutions, and the schemes from the government side, women are not enterprising and dynamic to optimize the resources in the form of reserves, assets mankind or business volunteers.

Other Problems:

1. The greatest deterrent to women entrepreneurs is that they are women. A kind of patriarchal – male dominant social order is the building block to them in their way towards business success. Male members think it a big risk financing the ventures run by women.
2. The financial institutions are skeptical about the entrepreneurial abilities of women. The bankers consider women loonies as higher risk than men loonies. The bankers put unrealistic and unreasonable securities to get loan to women entrepreneurs. According to a report by the United Nations Industrial Development Organization (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.
3. Entrepreneurs usually require financial assistance of some kind to launch their ventures - be it a formal bank loan or money from a savings account. Women in developing nations have little access to funds, due to the fact that they are concentrated in poor rural communities with few opportunities to borrow money. The women entrepreneurs are suffering from inadequate financial resources and working capital. The women entrepreneurs lack access to external funds due to their inability to provide tangible security. Very few women have the tangible property in hand.
4. Women's family obligations also bar them from becoming successful entrepreneurs in both developed and developing nations. "Having primary responsibility for children, home and older dependent family members, few women can devote all their time and energies to their business". The financial institutions discourage women entrepreneurs on the belief that they can at any time leave their business and become housewives

again. The result is that they are forced to rely on their own savings, and loan from relatives and family friends.

5. Indian women give more emphasis to family ties and relationships. Married women have to make a fine balance between business and home. More over the business success is depends on the support the family members extended to women in the business process and management. The interest of the family members is a determinant factor in the realization of women folk business aspirations.
6. Another argument is that women entrepreneurs have low-level management skills. They have to depend on office staffs and intermediaries, to get things done, especially, the marketing and sales side of business. Here there is more probability for business fallacies like the intermediaries take major part of the surplus or profit. Marketing means mobility and confidence in dealing with the external world, both of which women have been discouraged from developing by social conditioning. Even when they are otherwise in control of an enterprise, they often depend on males of the family in this area.
7. The male - female competition is another factor, which develop hurdles to women entrepreneurs in the business management process. Despite the fact that women entrepreneurs are good in keeping their service prompt and delivery in time, due to lack of organisational skills compared to male entrepreneurs women have to face constraints from competition. The confidence to travel across day and night and even different regions and states are less found in women compared to male entrepreneurs. This shows the low level freedom of expression and freedom of mobility of the women entrepreneurs.
8. Knowledge of alternative source of raw materials availability and high negotiation skills are the basic requirement to run a business. Getting the raw materials from different source with discount prices is the factor that determines the profit margin. Lack of knowledge of availability of the raw materials and low-level negotiation and bargaining skills are the factors, which affect women entrepreneur's business adventures.
9. Knowledge of latest technological changes, know how, and education level of the person are significant factor that affect business. The literacy rate of women in India is

found at low level compared to male population. Many women in developing nations lack the education needed to spur successful entrepreneurship. They are ignorant of new technologies or unskilled in their use, and often unable to do research and gain the necessary training. Although great advances are being made in technology, many women's illiteracy, structural difficulties, and lack of access to technical training prevent the technology from being beneficial or even available to females ("Women Entrepreneurs in Poorest Countries," 2001). According to The Economist, this lack of knowledge and the continuing treatment of women as second-class citizens keeps them in a pervasive cycle of poverty ("The Female Poverty Trap," 2001). The studies indicates that uneducated women do not have the knowledge of measurement and basic accounting.

10. Low-level risk taking attitude is another factor affecting women folk decision to get into business. Low-level education provides low-level self-confidence and self-reliance to the women folk to engage in business, which is continuous risk taking and strategic cession making profession. Investing money, maintaining the operations and ploughing back money for surplus generation requires high risk taking attitude, courage and confidence. Though the risk tolerance ability of the women folk in day-to-day life is high compared to male members, while in business it is found opposite to that.
11. Achievement motivation of the women folk found less compared to male members. The low level of education and confidence leads to low level achievement and advancement motivation among women folk to engage in business operations and running a business concern.
12. Finally high production cost of some business operations adversely affects the development of women entrepreneurs. The installation of new machineries during expansion of the productive capacity and like similar factors dissuades the women entrepreneurs from venturing into new areas.

Schemes for development and promotion 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. As per the latest available estimates, the number of women owned and women managed enterprises is 12.99 lakh and 12.15 lakh respectively.

In order to encourage more and more women enterprises in the MSE sector, several schemes have been formulated by this Ministry and some more are in the process of being finalized, targeted only at the development of women enterprises in India.

The following is a brief notes on some of the important schemes that are made specifically for women or give special benefits to women.

1. Trade related entrepreneurship assistance and development scheme for women (TREAD):

With a view to encourage women in setting up their own ventures, government launched a Scheme, namely, Trade Related Entrepreneurship Assistance and Development (TREAD) 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 components of the scheme;

- a) Govt. of India grant upto 30% of the total project cost to the Non-Government Organisations (NGOs) for promoting entrepreneurship among women. The remaining 70% of the project cost is financed by the lending agency as loan for undertaking activities as envisaged in the project.
- b) Govt. of India grant upto Rs.1 lakh per programme to training institutions / NGOs for imparting training to the women entrepreneurs.
- c) Need-based Govt. of India grants upto Rs.5 lakh to National Entrepreneurship Development Institutions and any other institutions of repute for undertaking field surveys, research studies, evaluation studies, designing of training modules etc.

2. Micro & small enterprises cluster development programme (MSE-CDP):

a) Existing Clusters:

A cluster is defined as a group of enterprises, normally 20 or more producing same/similar products/services. The Cluster Development Programme (CDP) being implemented envisages diagnostic study of identified clusters of traditional skill-based

MSEs to identify appropriate technologies and their providers and to facilitate adoption of available technology meeting the specific needs of the end users. The Cluster Development aims at enhanced competitiveness, technology improvement, adoption of best manufacturing practices, marketing of products, employment generation etc. The scheme provides assistance for capacity building, common facilities, marketing etc. the delivery, assimilation and diffusion of the identified technology from its producers to the recipient user/cluster of small enterprises.

Type of interventions:

1. Soft Interventions:

Capacity building activities in the cluster where no fixed assets is acquired or formed. Soft interventions, inter alia, include:

- i) Diagnostic study.
- ii) Forming association-Trust building & Developing Identity.
- iii) Capacity building.
- iv) Organising workshops, seminars.
- v) Training & Exposure visits.
- vi) Market development.
- vii) Launch of Website.
- viii) Common procurement.
- ix) Common/complementary sales and branding.

In the past depending upon the type of cluster, assistance available for soft interventions has varied in the range of Rs.25 ? 35 lakh per cluster. Currently we have an internal ceiling of Rs.10 lakh for soft intervention under this Scheme, which we are trying to bring upwards. Clusters of women?s enterprises are entitled up to 90% assistance for soft interventions.

2. Hard Interventions:

These are tangible ?assets? like:

- i) Setting up of Common Facility Centre (CFCs).

- ii) Mini Tool Rooms.
- iii) Design Centres.
- iv) Testing Facilities.
- v) Training Centre.
- vi) R&D Centres.
- vii) Common Raw Material Bank/Sales depot, etc.

There can be other tangible assets that could be set up by the women's Clusters, as long as they are put to common use. For hard interventions, it is necessary to form a Special Purpose Vehicle (SPV) which could be a registered society, or a cooperative society, or company, or a trust or any other legal entity ? in which at least 20 to 30 members of the Cluster contribute and participate. Other Cluster members who do not join this SPV could also sign up as Users.

3. Infrastructure Assistance:

Infrastructure assistance includes the construction of basic amenities like power, approach roads, drainage, water supply and storage and the like. MSME Ministry's assistance for this component is presently limited to 40% of the total cost ? though we are trying to increase this level

Only one element of Infrastructure Assistance i.e. Display or Exhibition Centres (which could consist of show-rooms with attached stores) are entitled to a higher level of assistance in so far as Women's Clusters are concerned, i.e. 90%. This Display/Exhibition Centre could be built by the Women's Clusters, SPV within the Cluster, or near the Cluster or even in adjoining Markets of Towns ? as long as they exhibit and market the products manufactured by the Women's Clusters.

b) Creation of physical infrastructure:

This Ministry implemented the IID Scheme to provide developed sites with infrastructural facilities like power distribution network, water, telecommunications, drainage and pollution control facilities, roads, exhibition/display centres, raw materials, storage and marketing outlets, common service facilities and technological back-up

services, etc. This scheme has been subsumed in the MSME-Cluster Development Programme. All the features of IID Scheme have been retained.

To create physical infrastructure exclusively 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 making efforts to enhance the quantum of grant to 80% in a project of Rs.10 crore.

3. Credit guarantee fund scheme:

The Government introduced the Credit Guarantee Fund Scheme for Small Industries in May, 2000 with the objective of making available credit to SSI units, particularly tiny units, for loans up to Rs. 25 lakh without 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. The Scheme provides for collateral free credit facility (term loan and / or working capital) extended by eligible lending institutions to new and existing SSI units/ Small Scale Service and Business (industry related) Enterprises (SSSBs) including Information Technology and Software Industry up to Rs. 25 lakh per borrowing unit. 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 facility (comprising term loan and / or working capital) sanctioned 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. Support for entrepreneurial and managerial development:

MSME DIs regularly conduct EDPs/MDPs for existing and prospective 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, Catering, Agro & Food

Processing, Pharmaceutical, biotechnology etc. through specialized courses run by MSME DIs. 20% of courses conducted by these Institutions shall be exclusively for women.

5. Exhibitions for women under promotional package for micro & small enterprises approved by CCEA under marketing support:

DC (MSME) has formulated a scheme for women entrepreneurs to encourage Small & Micro manufacturing units owned by women in their efforts at tapping and developing overseas markets, to increase 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 prominent 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 encourage women entrepreneurs to participate in the International Exhibitions it has been decided to:

- i) Provide rent free space in the exhibitions.
- ii) Reimburse 100% economy class air fare for one representative.
- iii) Reimburse shipping cost upto Rs.15,000/-.

The overall ceiling shall however be Rs. 1.25 lac.

6. Dena Bank to support India's women entrepreneur

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

Dena Bank on Monday signed a Memorandum of Understanding (MoU) with the Ministry of Micro, Small and Medium Enterprises (MSME) in India for operating a programme to encourage and assist women entrepreneur.

Under the programme, Trade Related Entrepreneurship Assistance and Development (Tread) Scheme, the bank will provide loans to women through non-government organisation (NGOs) for self-employment ventures by them in any kind of non-farm activity.

The Tread scheme was launched by the Government of India to provide resources and financial assistance to women entrepreneur not only in villages but also in urban areas.

It envisages economic empowerment of women through trade related training, information and counseling extension activities related to trades, products and services, the MSME said.

The scheme provides for grants up to 30 per cent of the total project cost released to financial institutions who become partners in implementation of the scheme.

Conclusion

Empowering women entrepreneurs is essential for achieving the goals of sustainable development and the bottlenecks hindering their growth must be eradicated to entitle 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. Henceforth, promoting entrepreneurship among women is certainly a short-cut to rapid economic growth and development. Let us try to eliminate all forms of gender discrimination and thus allow 'women' to be an entrepreneur at par with men.

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