



5. Women Entrepreneurship in India - Challenges

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ABSTRACT

Social and economic development of women is necessary for development of any country. Last five decades have seen phenomenal changes in the status of women in India. According to NSSO6th Economic census, only 14% of business establishments in the country are being run by women entrepreneurs.

The women who start up their businesses have to face some teething problems. This research paper focuses on challenges and problems that are resulting in restricting the expansion of women entrepreneurship in India.

KEYWORDS

Women entrepreneurs, Challenges, Economic Growth, Government Schemes

Introduction:

Women entrepreneur may be defined as a “women or a group of women also initiate, organize and run a business enterprise”. Women entrepreneurs has been defined by government of India as women participation in equity and employment of a business enterprise. They constitute nearly 10% of entrepreneurs of our country. They constitute 50% of population of the country. In olden days’ women were confined to four walls playing household roles. But women entrepreneurship has come as an extension of their kitchen activities mainly preparing commercially the 3P’s pickles, Pappads and powders. They are found all over in all industries including service industries namely hospitality, catering, educational services, public relations, beauty clinics etc.

Women entrepreneurship may be defined as an “enterprise owned and controlled by women having a minimum financial interest of 51% of capital and giving at least 51% of employment generated by the enterprise of women”.

Objectives of The Study

- A. To examine the challenges faced by the women entrepreneurs.
- B. To study various government schemes available in women entrepreneurs.

Research Methodology

This research paper is based on the secondary data. The secondary data was collected from various published sources like reports, magazine, journals, books and website etc.

Review of Literature:

R. Nandhini, R. Bhuvaneshwari May 2018 “Women Entrepreneurship in India” They discussed on status of women entrepreneurs in India challenges faced by them and life of an entrepreneur, with recommendations for women entrepreneurship.

P.M. Sirumalar Rajan, Dr. K.V. Soundararaja 2016 They say about the reason for women entrepreneurship and challenges faced between work and domestic commitments, gender gaps in education, lack of finance, heavy household responsibilities and so on. He concluded by if women be an entrepreneur she can provide a livelihood to more women atleast, the unexplored talents of young women identified used for various types of industries to increase productivity in the industrial sector.

Dr. R. Velmurugan 2015 have revealed lack of capital, family support and support from promotional agencies in the area of finance, training, information, technical and marketing are the major problems in women business.

Dr. Vaibha Tiwari, Deepayachit (2014) say about the “Emergence of women entrepreneurship in India” their objectives are to motivate women to setup and run their enterprises, and to identify challenges faced by women, remedies to the challenges faced by women they say that “India is male dominated society, women are economically socially dependent on them, but now becoming more demanding in greater equality to overcome those challenges.

Punithvathy Pandian and Easwaran R (2002) in their study found that problems faced women entrepreneurs and managing workers, marketing and recovery of dues, finance and mobility.

Challenges Faced by Women Entrepreneurs:

Women entrepreneurs in India face a lot problem right from the beginning of the enterprise till the functioning of the enterprise. The problems pertain to her responsibility towards her family society and work.

Traditions, customs, socio-cultural values, ethics, motherhood, subordinates to husband and men, physically weak hardwork areas, feeling of insecurity her some peculiar problems faced by women entrepreneurs. Rural entrepreneurs face till further problems.

List of some common problems faced by women entrepreneurs:

A. FAMILY TIES: Women are emotionally attached to their families and overburdened with family responsibilities taking away lot of their time and energy. This makes them difficult to concentrate on the work.

B. MALE DOMINATED SOCIETY: Through constitution speaks of equality, male dominated women, male chauvinism is still persistent and this puts a break in the growth of women entrepreneurs.

C. LACK OF EDUCATION: Most of the women in India approx. 60% are illiterate and lack education which makes them remain in the dark without much knowledge of new technology, new methods etc.

D. PATRIARCHIAL SOCIETY: Entrepreneurship has been traditionally seen a male preserve and idea of women taking up entrepreneurial activities are considered a distant dream. Any deviation from the room is frowned and if possible immediately curbed. Women also have to face role conflict as they initiate any entrepreneurial activity. It is uphill task for women to face such conflicts and cope with his role.

E. ABSENCE OF ENTREPRENEURIAL APTITUDE: Many women take up training by attending EDP without entrepreneurial bent of mind. As per the study involvement of women in small sector as owners stand at means 7% women who are imparted by various institutions must be verified on account of aptitude through the test, interviews etc.

F. MARKETING PROBLEMS: Women entrepreneurs continuously face the problems in marketing their products. It is one of the core problem as this area in mainly dominated by male and even women with adequate experience fail to make a dent for marketing their products. They have to be at the mercy of middlemen to pocket the chunk of profit. The elimination of middlemen is difficult as it involves lot of running about.

G. FINANCIAL PROBLEMS: Obtaining the support of bankers managing the working capital, lack of credit resources are the problem which still remain in the male's domain women are yet to make significant mark in quantitative terms.

Marketing and financial problems are such obstacles where even training does not significantly help the women. Some problem is structural in nature and beyond the control of entrepreneurs.

H. CREDIT FACILITIES: Through women constitute about 50% population, the percentage of small scale enterprise where women own 51% of share capital is less than 5% women are often denied credit by bankers on the ground of lack of collateral security. Therefore, womens access to risk capital is limited.

I. HEAVY COMPETITIONS: Many women enterprises have imperfect organizational setup. But they have to face severe competition from organized industries.

J. LOW RISK BEARING CAPACITY: Women in India are shy weak and mild. They cannot bear amount of risk which is essential for running an enterprise.

Various Government Schemes Available in Women Entrepreneurs:

While conditioning, patriarchy and lack of social support from their own families may be a few reasons for several women, for the majority, lack of financial capital can be a major roadblock on their entrepreneurial journey. So, today we list down eight schemes introduced by financial institutions in India, including nationalized banks, that all women entrepreneurs need to be aware of:

A. Annapurna Scheme:

Under this scheme, the Government of India offers women entrepreneurs in food catering business, loans upto ₹50,000. The loaned amount could be used for working capital requirements such as buying utensils, cutlery, gas connection, refrigerator, mixer cum grinder, hot case, utensil stand, tiffin boxes, working table, water filter etc.

A guarantor is required to avail the loan and the assets of the business have to be pledged as collateral. Once sanctioned, it has to be repaid in 36 monthly installments (which equals to a period of three years).

After the loan is sanctioned, the lender doesn't have to pay the EMI for the first month. The interest rate is determined depending upon the market rate and the bank concerned. The State Bank of Mysore and Bharatiya Mahila Bank currently offers this scheme.

B. Stree Shakti Package for Women Entrepreneurs:

The Stree Shakti Package is a unique SBI-run scheme to support entrepreneurship among women by providing certain concessions. This scheme is eligible for women who have majority ownership (over 50 percent) in a small business.

Another requirement is that these entrepreneurs have to be enrolled in the Entrepreneurship Development Programmes (EDP) organised by their respective state agency. This scheme allows women to avail an interest concession of 0.05 percent on loans exceeding ₹2 lakhs. No security is required for loans up to ₹5 lakhs in case of tiny sector units.

C. Cent Kalyani Scheme:

This scheme under the Central Bank of India can be availed by both existing and new entrepreneurs and self-employed women for micro/small enterprises like farming, handicrafts, food-processing, garment making, beauty, canteen, mobile restaurants, circulating libraries, day creches, STD/Xerox booths, tailoring etc. (in other words, agriculture, cottage industries, small and medium enterprises, government sponsored

programs and retail trade.) Under this scheme, loans up to ₹1 crore are sanctioned with a margin rate of 20 per cent. You do not require any collateral security or guarantors for this loan. Interest on loans depends on market rates.

The loan tenure will be a maximum of seven years including a moratorium period of 6 months to 1 year.

D. Mudra Yojana Scheme:

This is a general scheme for small units that women entrepreneurs can avail of too. Offered by nationalised banks under the Pradhan Mantri Mudra Yojana, this can be used to set up beauty parlour, tuition center, tailoring unit, etc. Loans between ₹50,000 to ₹50 lakh are sanctioned under this scheme. No collateral and guarantors are required for loans below ₹10 lakhs.

The Scheme Has Three Plans:

Shishu – Grants you loans up to a maximum limit of ₹50,000 for a new business with rate of interest being 1 per cent per month or 12 per annum. The repayment period up to 5 years.

Kishore – Grants loans from ₹50,000 up to Rs 5 lakh for well-established businesses. The rate of interest varies with banks as it depends on the scheme guidelines and credit history of the applicant. Repayment period also depends on the discretion of the bank.

Tarun – Grants loans from ₹5 lakhs up to ₹10 lakhs for business expansion. The rate of interest is dependent on the bank as per the scheme guidelines and credit history of the applicant. Repayment period depends on the discretion of the bank.

E. Mahila Udyam Nidhi Scheme:

Offered by Punjab National Bank and Small Industries Development Bank of India (SIDBI), this scheme supports women entrepreneurs to set up a new small-scale venture by extending loans up to ₹10 lakhs to be repaid in 10 years.

SIDBI also includes a five-year moratorium period. The interest depends upon the market rates.

Under this scheme, SIDBI offers different plans for beauty parlours, day care centres, purchase of auto rickshaws, two-wheelers, cars, etc. It also assists with upgrading and modernization of existing projects.

F. Dena Shakti Scheme:

It provides loans up to ₹20 lakhs for women entrepreneurs in agriculture, manufacturing, micro-credit, retail stores, or small enterprises. It also provides a concession of 0.25 percent on rate of interest. Loans up to ₹50,000 are offered under the microcredit category.

G. Orient Mahila Vikas Yojana Scheme:

Launched by Oriental Bank of Commerce, women, who hold a 51 per cent share capital individually or jointly in a proprietary concern, are eligible for the loan. No collateral security is required for loans between ₹10 lakhs to ₹25 lakhs for small-scale industries. The repayment period is seven years. It also provides a concession on the interest rate of up to 2 per cent.

H. Bhartiya Mahila Bank Business Loan:

The scheme was implemented by Bhartiya Mahila Bank (BMB) which was later merged with State Bank of India in 2017. A public sector banking company established in 2013, it offered women entrepreneurs business loans up to ₹20 Crores for meeting working capital requirement, business expansion, or manufacturing enterprises.

It also offers special business loans with a lucrative rate of interest and grants collateral-free loan up to ₹1 crore under CGTMSE (Credit Guarantee Fund Trust for Micro and Small Enterprises) cover. Women entrepreneurs are also offered 0.25 per cent concession in interest rate. It includes a combo of working capital and term loan. The repayment tenure is flexible and has to be repaid within seven years.

Some of The Different Plans Under the Scheme Include:

Shringaar- The BMB Shringaar loan is applicable to self-employed women or homemakers who want to set up a parlour, purchase equipment, or meet daily business expenses. The loan doesn't require you to provide any collateral security.

Parvarish- Similarly, BMB Parvarish loan is for self-employed women or homemakers to set up day-care creches. The upper limit of this loan can be ₹1 Crore without any collateral security under the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGSTSM) scheme.

Annapurna- Food entrepreneurs, between 18 to 60 years, wanting to start or expand their small business can avail this loan. Its features are similar to that of State Bank of Mysore's Annapurna scheme, minus the fact that it does not require collateral security.

Conclusion:

Women constitute almost half of the population in India but they are not enjoying their freedoms, equalities, privileges, rights as equal as male, these women face lot of challenges as above discussed.

Many capable and talented women are suppressed due to such problems, support from government organizations and non-government organizations should be provided for such activities, for economic inclusive growth it is essential to promote and increase women entrepreneurship in India.

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