A Study to Assess Factors Affecting Women Entrepreneurship

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Abstract

Women entrepreneurship is rising with time and it is increasingly important for creating new jobs and contributing to the social justice and economic growth. This study is an attempt to find factors affecting women entrepreneurship. The methodology involves a comprehensive review of existing literature, reports, and statistical data related to women entrepreneurship. In integrating research on women's entrepreneurship this collection is an important step which reveals dynamic and complex interactions, regarding various aspects of women entrepreneurship. Gender discrimination, lack of capital, strict social constraints, lack of education and training, caste discrimination are one of the important factors pulling down the spirit of entrepreneurship. Various loan services and skill improving services are being provided by government to enhance spirit of women entrepreneurs.

Keywords: *Women, Entrepreneurship.*

Introduction:

Women's entrepreneurship is a growing global phenomenon, attracting considerable research attention during the last few decades. Globally, women were more likely than men to be solopreneurs (1.47 women solopreneurs for every 1 man). Findings presented in the new GEM 2022/2023 Women's Entrepreneurship report, entitled *Challenging Bias and Stereotypes*. revealed that on average, women entrepreneurs tend to be younger than men, particularly in low-income countries. Entrepreneurship includes the creation or extraction of economic value. Indian government has placed Nari Shakti (woman power) at the core of its vision but road to women's empowerment in India is long and challenging. Government of India has defined women entrepreneur as "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 in the enterprise to women. In Vibrant Gujarat summit in January 2024 Prime Minister Narendra Modi revealed India 25-year goal, propelling the nation towards developed nation status by 2047. With a vision to promote the sustainable development and balanced growth, Startup India is committed towards strengthening women entrepreneurship in India. As per NITI Aayog, India has 63 million micro, small, and medium enterprises (MSMEs), of which around 20% are women owned, employing 22 to 27 million people. World Economic Forum Global Gender Gap Report 2017, on an average 66 per cent of women's work in India is unpaid, compared to 12 per cent of men's.

Statement of the problem:

Women's were the first slave in the process civilization. Women were denied the benefit of education and were restricted to develop their natural capacities and eventually they became illiterate, narrow-minded and were primarily oriented for being caretaker of the family. A woman

entrepreneur is expected to perform various roles in life. She performs as wife, mother, daughter, daughter-in-law etc. and businesswoman. This study is an attempt to find various factors affecting women entrepreneurship.

Methodology :

The methodology involves a comprehensive review of existing literature, reports, and statistical data related to women entrepreneurship data to derive inferences.

Challenges for woman entrepreneur-

The highest entrepreneurial intention rates were observed in low-income countries, where approximately 28% of women expressed intentions to start a business. Whereas in developed countries ecosystem for women entrepreneurs' is better, as per U.S. Statistics indicators more women started a business in 2020 than men. In 2021, the United States was the leading country in the world in terms of supporting female entrepreneurship. The country scored 69.9 index points, followed by New Zealand with 69.8 points, whereas India scored only 40.5 index points which was lower than Uganda and Nigeria. A study conducted by Naguib R. in Morocco also revealed that women face multiple barriers arising from internal and individual factors combined with external hurdles related to the business and their sector of activity, including limited access to funding and the lack of a support network, as well as institutional constraints stemming from the socio-cultural norms and entrepreneurial ecosystem and ultimately affecting work-family balance.

As reported by world bank "While the number of women operating their own business is increasing globally, women continue to face huge obstacles that stunt the growth of their businesses, such as lack of capital, strict social constraints, and limited time and skill. Women are also less likely to afford or have access to information and communications technology (ICT) — television, computers, mobile devices and the like. ICTs are needed to function in a world where digital is becoming the norm and an important element of growing a business." Study conducted by Sinha K.G. and Rastogi A,in Uttar Pradesh, India depicted that the root causes of the gender inequality in entrepreneurship are: Social Norms and Stereotypes, Deep-rooted patriarchal norms and gender stereotypes. The prevailing belief that women should prioritize domestic roles over professional pursuits hampers their entrepreneurial aspirations. Likewise a study conducted by Raghuvanshi J et al. by using Decision-making trial and evaluation laboratory (DEMATEL) technique identifies barriers which are lack of education, experience and training opportunities; spatial mobility and lack of family support; lack of institutional support; lack of entrepreneurial management; and problem in acquiring financial resources. India has Patriarchal society and for years , women *in India had been discriminated and denied the right in ancestral property* . Which led to failure of capital investment in business to start entrepreneurship , although law has been introduced for their right to the ancestral property but awareness regarding this is has to be increased. Only 13% of women (15 – 49 years) in India owns a house alone, while another 29% owns it jointly with someone.

Caste based Indian society also adversely affects the women entrepreneurship of Schedule caste and schedule tribe peoples specially women's. Study conducted by Iyer L. et al. documents that the scheduled castes and scheduled tribes are significantly under-represented in the ownership of enterprises and the share of the workforce employed by them. Dalits have a poor presence in entrepreneurship and industry ownership across the country – according to the MSME (Micro, Small and Medium Enterprises) Development Commissioner's report for 2020, ownership of MSME units in India by Scheduled Caste entrepreneurs was only 8.9 per cent, while for Scheduled Tribe entrepreneurs it was only 2.9 per cent of the total.

Motivation for women entrepreneurship:

Beside many hurdles women entrepreneurship is increasing. There are motivating factors which are encouraging women enterprenureship. Solesvik M. et al. in their study found that in emerging economies contexts, female entrepreneurs are motivated to start a business by mainly economic factors. In developed economy contexts, females are motivated to start a business by mainly social factors. Vargheese S. et al conducted a study in Tirunelveli district and found that there are 18 attributes that can influence entrepreneurship decision i.e. economic independence, dissatisfaction with existing job, unemployment, seeking challenge, self interest, self prestige, traditional/hereditary, employment opportunities, financial assistance, technical knowledge, encouragement from family members, use of idle funds, infrastructural facilities, entrepreneurial experience, market potentials, family members interest, social status and family background. The study conducted by Ramdas S.K.. and Patrick H. found that the triggers which influenced women included external factors i.e. Financial institutions in providing loans, potential market demand , dis-satisfied with previous employment, Success stories of other entrepreneurs and Social status, Internal factors i.e. Intrinsic motivation and meaningful engagement such as perks/rewards and education/competencies also played a key role in triggering women entrepreneurship.

Important Facilities available for woman entrepreneurs in India:

The Industrial Policy Resolution of 1991 has highlighted the need to grow women's entrepreneurship programs. Women-owned enterprises, which stood at a modest 20% of all businesses a few years back, are on a trajectory to constitute a significant 33% by 2030. As it is said, *Rome was not built in a day likewise* development of women in the business world is a long process. Government led services are provided for women entrepreneurs to encourage their participation considering vision 2047, important ones are listed below

1- Mudra loan-Mudra loans, an acronym for Micro-Units Development and Refinance Agency loans, have emerged as a crucial financial instrument in India`s pursuit of fostering entrepreneurship and promoting small businesses. Mudra loan is provided under shishu, Kishore and tarun categories by banks. Over 65% of Mudra loan beneficiaries are women, reflecting their increasing participation in entrepreneurship. More than 3.5 crore (35 million) women entrepreneurs have availed of Mudra loans, charting their course towards self-reliance.

2- Samarth (Scheme for Capacity Building in Textiles Sector) Scheme – This scheme is of Ministry of Textiles which was operational till March 2024. Under this scheme more than 85% beneficiaries were women, majority were from marginalized sections of society.This scheme aims at employment linkage through Textile Industry collaboration.

3. Small Industries Development Bank of India (SIDBI) has been implementing two special schemes designed to promote women entrepreneurship:. Mahila Udyam Nidhi an exclusive scheme for providing equity to women entrepreneurs. Mahila Vikas Nidhi offering developmental assistance for pursuit of income generating activities to women.
4. Mahila Coir Yojana- Mahila Coir Yojana (MCY) intends to empower women by providing spinning equipment at reduced prices following proper skill development training. Under this scheme, women entrepreneurs can get a subsidy of up to 75% of the cost of equipment and machinery for coir processing. The scheme also provides a margin money subsidy of up to 25% of the project cost.
5. Stand-Up India Scheme-It provides bank loans to at least one scheduled caste (SC) or scheduled tribe borrower and at least one woman per bank branch for the establishment of a greenfield business. In the case of non-individual firms, a SC/ST or woman entrepreneur must possess at least 51% of the ownership and majority stake.
6. Bhartiya Mahila Bank business loan-More than 100 branches of Bharatiya Mahila Banks are across India. In general, the interest rate can vary between 10.15% per annum to 13.65% per annum and no collateral is required.
7. Women Entrepreneurship Development Programme (WEDP)- under the NIDHI Division, Department of Science & Technology, Government of India, this scheme aims to train the science and technology graduates and diploma holders in the entrepreneurship essentials - conceive, plan, initiate, launch and maintain economic activity or run a successful enterprise.
8. National Commission for Women aims to create a lasting impact for women across the country by providing aspiring women entrepreneurs access to knowledge required to start, sustain and grow their entrepreneurial ventures. To achieve this, NCW in collaboration with MyGov has joined hands with Indian Institute of Management Jammu (IIM Jammu), a renowned academic institution fostering excellence in management, innovation and entrepreneurship, and has designed a training program to support the knowledge of general management among aspiring women entrepreneurs.

Other Major Government Loans services for Women

- Loan Under Annapurna Scheme by State Bank of Mysore
- Stree Shakti Package For Women Entrepreneurs in India by SBI
- Business Loan Under Dena Shakti Scheme by Dena Bank
- Business Loan Under Udyogini Scheme by Punjab and Sind Bank
- Business Loan Under Cent Kalyani Scheme by Central Bank of India
- Orient Mahila Vikas Yojana Scheme For Women Entrepreneur by Oriental Bank of Commerce

Conclusion:

Findings of the study suggests that despite many hurdles, women entrepreneurship is on rise. With changing social structure opportunities for women is increasing. Motive of Government is to provide sustainable environment which can lead to women's contribution in economy and help to generate new job opportunities to make India a developed nation.

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