



WOMEN'S VENTURING INTO THE BUSINESS WORLD, CHALLENGES AND SCHEMES GIVING BOAST TO WOMEN ENTREPRENEURIAL SPIRIT

Dr. Priyanka Sharma*

INTRODUCTION

Entrepreneurship defined

An entrepreneur is defined as someone who organizes a business venture and assumes the risk for it. But an entrepreneur is much more than just a creator of organisations; entrepreneurship in itself as the characteristic and a trait of an individual.

Historically, India has been a country of the self-employed and not of employees. Even with the influx of large corporate organisations into the economy, the bulk of the income generation in the country today is centred on small and medium business owners. These businesses are the largest contributors to national income & employment, and have increasingly been courted by financial institutions and policy makers.

The self employed are the backbone of the nation. From the corner tea shop, mom-and-pop grocery, scrap dealer and the internet start-up, all these entrepreneurs need encouragement and help to be able to compete in the global economy, and the Government of India has been at the forefront to promote private entrepreneurship by providing the right socio-economic ecosystem for innovation & development.

*Sr. Assistant Prof., Department of Lifelong learning, University of Jammu, Jammu



BASICS OF ENTREPRENEURSHIP

An activity to convert ideas into economic opportunities is the core of entrepreneurship. Entrepreneurship is referred to as a source of improvement and change resulting into improvements in productivity and economic competitiveness. In fact, it is closely associated with knowledge and flexibility as well. With technological advancement and global competitiveness brought about by globalization and economic liberalization, fostering entrepreneurship increases a country's competitiveness in the ever changing economic forefront. Influence of entrepreneurship to economic growth can be expressed through competition, innovation. The key to transforming an individual from being "self-employed" to become an "entrepreneur" is the establishment of a business organisation. The Ministry of micro, small and medium enterprises is the harbinger of this change, as a majority of new business entities are launched with minimum capital and maximum vision.

WOMEN ENTREPRENEURSHIP

Women entrepreneurship has been recognised as an important source of economic growth (as indicated in numerous studies). They create new jobs for themselves and also provide society with different solutions to management, organisation and business problems. Though women are breaking free from traditional, gender-specific roles and are venturing into business world. They still represent minority of the entrepreneurial community. The representation and contribution of women in the entrepreneurial activities of the world varies from country to country. Also their reasons for entry in the business world are situation specific. In developing countries their representation is lower and success rate is still minimal as compared to their representation in the developed nations. The steady rise in the women entrepreneurs in the developing nations is because of the financial instability and by the forced choice. Where as in developed countries their reasons for entry into business world is because of various reasons, most of which share the same rational as their male counterparts i.e. passion for their own ideas, the desire to become their own boss and the need to address the philanthropic causes.

Women entrepreneurship has been recognised as an important source of economic growth. Women entrepreneurs create new jobs for themselves and others and also provide society with different solutions to management, organisation and business problems. However, they still represent a minority of all entrepreneurs. Women entrepreneurs often face



gender-based barriers in 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 contributing to the Millennium Development Goals (MDGs). Thus, governments across the world as well as various developmental organizations are actively undertaking promotion of women entrepreneurs through various schemes, incentives and promotional measures.

Today, more women are breaking free from the traditional, gender-specific roles and venturing into the business world. Not only are they holding high corporate positions but they are also successful women entrepreneurs who own almost half of all businesses in the United States. The steady rise in female entrepreneurs can be due to many different reasons, most of which share the same rationale as their male counterparts—passion for their ideas, the desire to become their own boss, and the need to address philanthropic causes. A recent study indicated that 1 out of every 11 adult women is an entrepreneur in the United States. Women business owners contribute to the overall employment of 18 million workers and generate anywhere from \$2 to \$3 trillion in U.S. economy revenues. Many of the important facts that follow will support these findings.

1. **Demographic characteristics.** Studies have shown that successful Women entrepreneurs start their businesses as a second or third profession. Many of them have experienced a considerable amount of dissatisfaction with their previous careers and in working for others. Often times, these innate desires to be their own boss are the driving forces that motivated them to pursue entrepreneurship. As a business owner, these once unhappy individuals are now more satisfied and content with their personal and professional life. In addition, because of their previous careers, women entrepreneurs enter the business world later on in life, around 40-60 years old. Many of them have higher education degrees, a significant characteristic that many successful female entrepreneurs have in common. Women entrepreneurs also tend to offer better health care benefit packages, on the job training and education, more tuition reimbursement for students and



continuing education employees, and provide more vacation and paid leave options to their staff.

2. International implications. From a large-scale perspective, female entrepreneurs encompass approximately 1/3 of all entrepreneurs worldwide. A recent international study found that women from low to middle income countries (such as Russia and the Philippines) were more likely to enter early stage entrepreneurship when compared to those of higher income countries (such as Belgium and Sweden). A significant factor that may play a role in this disparity can be contributed to the fact that women from low income countries often seek an additional means of income to support themselves and their families. As a result, many of them often resort to entrepreneurship in addition to their current jobs. However, women entrepreneurs from higher income countries were more successful at establishing their businesses and exuded more confidence than those of poorer nations, perhaps because of the availability of resources and financial backing from families and friends.

In addition, women who had higher education experience were more likely to transform their existing businesses into successful ones, proving that learning and work familiarity is universal across all cultures and greatly contributes to the overall success of any business venture.

3. Strategy. Recent studies also indicate that women entrepreneurs are assembling themselves into groups or confederacies. The reasons behind this trend have to do with the desire to establish solid women business networks, where members can collectively pool resources and expertise together. Women business networks have also been found to be more generous in their philanthropic contributions. At least seven out of ten women entrepreneurs of a new business volunteer their time at least once per month to community-related causes. In addition, 31% of them contribute \$5,000 or more to various charities annually. Even though many female entrepreneurs have home-based and service-related businesses, they are unafraid of technology and have recently entered many industries that were once male-dominated, such as construction, design, manufacturing, and architecture. In addition, the retail industry still makes up the largest share of women-owned firms. One of the advantages of working in a women-owned new business is that the workforce is more diverse. Women entrepreneurs are more likely to employ staffs that are



more gender-balanced, comprising of 52% women and 48% men on average. On the other hand, most male-owned businesses have a workforce that is often more than 65% men.

4. Sources of the capital. The fact that more women entrepreneurs have risen in the past few years has been made possible in part by the easy availability of business capital. Women entrepreneurs tend to fund their start-ups with different sources of funding, including “bootstrap” finances (personal money from savings and credit cards) and commercial loans. Today, not only are there more grants and bank loans made available to women entrepreneurs, but there are also more diversity programs that specialize in providing seed funding to female business owners. However, despite the recent achievements, research shows that it still remains difficult for women of colour to get access to seed funding. According to one recent study on women entrepreneurs, approximately 60% of Caucasian women business owners were able to obtain bank credit, compared to 50% of Hispanic, 45% of Asian, 42 % of Native American, and 38% of African-American women entrepreneurs.

5. Motivation. Much of a business woman’s drive to pursue entrepreneurship is due to the immense passion she has for her work. Many women entrepreneurs are not afraid of taking risks and are two times more likely to make above average risks than their male equivalent, making monetary gain a less likely factor in their business pursuits. Instead, they possess very strong business ideas and seek any and all means to share their business ideas with others who may benefit from their discoveries. Another motivating factor behind women entrepreneurs is the desire for control. Many successful female business owners are provoked by the opportunity to be their own boss and run their own company, a prospect that would never occur if they had worked for someone else. Women entrepreneurs are also motivated by philanthropic commitment to society. Their new businesses will greatly stimulate economic development in their community and create new jobs for many people. Another inspiring component that many successful women entrepreneurs share is the fact they have the tendency to balance family life and career. Many people may have had doubt in this ability when these women first entered the field because of the long work hours, but these reservations have often been proven wrong. It is no wonder that many successful women entrepreneurs have an amazing ability to multitask, properly balancing both personal and professional life with their goal-oriented approach.



6. Present challenges. Even though female entrepreneurship and the formation of women business networks are steadily rising, there are still many prospective women entrepreneurs who do not follow through with their great business ideas. This is widely due to the fact that many challenges exist for them to overcome. First and foremost, many prospective women entrepreneurs may fear the debt associated with their start up. They may not have the resources available to make educated decisions about properly raising capital or may even have been discouraged by family and friends. As mentioned earlier, if an entrepreneur truly believes in their business ideas, then they will seek any means to move forward and commercialize their concepts.

A second challenge may be their lack of knowledge in information technology and business skills. Even though many successful business ventures are IT-related, there are many other thriving industries that do exist. Experience is always an advantage; however, one just has to conduct ample research on their industry, their consumer base and competitors, and speak to entrepreneurs who have already gone through the process. Entrepreneurship is a learning experience and even the most successful business owners have had to learn new things throughout the development of their company.

Another major challenge that many women entrepreneurs may face is the traditional gender-roles society may still have on women. Entrepreneurship is still a male-dominated field, and it may be difficult to surpass these conventional views. However, it is very important to be aware that despite the negativity that may exist, over 9 million women own their own businesses in the U.S. In fact, of all U.S. enterprises that exist, over 40% comprise of women-owned businesses. The United States Census Bureau predicts that by the year 2025, the percentage of women entrepreneurship will increase to over 55%. Many women feel a great deal of empowerment by the opportunity to own their own company and may now be motivated by such high statistics.

7. Future prospectus. There are many promising predictions for women entrepreneurs in the near future. More coalitions will be formed among female associates, enabling the establishment of female business networks to flourish in the business world. In addition, the U.S. Census envisions that women entrepreneurs and female business networks will both remain dominant, comprising of over 50% of all business in the United States in the next several years. Many women entrepreneurs with home-based and service-related businesses



will eventually shift to the information technology industry, making this once male-dominated commerce to be one of equal gender appeal.

With progressive changes, the United States economy will refine itself to a financial system that will rely heavily on the internet and e-commerce for their business practices. Enterprises will also focus more on women-related issues and principles.

Government of India support schemes complements and supports other policies to create an environment conducive to entrepreneurial activities. In this connection, government support schemes are well designed and well-targeted for a fruitful outcome. The government constantly evaluates and revise existing programmes.

METHODOLOGY

The present paper is the analysis of few leading schemes of women entrepreneurship in India and J and K.

Fostering entrepreneurship

In this era of globalization, fostering entrepreneurs, these days has become one of the prime concerns of the government policy makers. Thus, the most reliable tool for policy implementation to promote entrepreneurship should be thought of rather than focussing solely on microeconomic conditions or access to finance. No doubt, such policies are important to broaden the base of entrepreneurs to start up a business but these policies alone will not suffice.

In India, the Micro, Small & Medium Enterprises development organisations, various State Small Industries Development Corporations, the Nationalised banks and even NGOs are conducting various programmes including Entrepreneurship Development Programmes (EDPs) to cater to the needs of potential women entrepreneurs, who may not have adequate educational background and skills. The Office of DC (MSME) has also opened a Women Cell to provide coordination and assistance to women entrepreneurs facing specific problems.

There are also several other schemes of the government at central and state level, which provide assistance for setting up training-cum-income generating activities for needy women to make them economically independent. Small Industries Development Bank of India (SIDBI) has also been implementing special schemes for women entrepreneurs. In addition to the special schemes for women entrepreneurs, various government schemes



for MSMEs also provide certain special incentives and concessions for women entrepreneurs. For instance, under Prime Minister's Rozgar Yojana (PMRY), preference is given to women beneficiaries. The government has also made several relaxations for women to facilitate the participation of women beneficiaries in this scheme. Similarly, under the MSE Cluster Development Programme by Ministry of MSME, the contribution from the Ministry of MSME varies between 30-80% of the total project in case of hard intervention, but in the case of clusters owned and managed by women entrepreneurs, contribution of the M/o MSME could be upto 90% of the project cost. Similarly, under the Credit Guarantee Fund Scheme for Micro and Small Enterprises, the guarantee cover is generally available upto 75% of the loans extended; however the extent of guarantee cover is 80% for MSEs operated and owned by women entrepreneurs.

SCHEMES OF MINISTRY OF MSME

Trade Related Entrepreneurship Assistance and Development (TREAD) Scheme for Women

Women have been amongst the most disadvantaged and oppressed section of our country with regard to access to and control over resources. Problems faced by them continue to be grave particularly for illiterate & semi literate women of rural and urban areas. In order to alleviate their problems, Govt. of India launched a scheme entitled "Trade Related Entrepreneurship Assistance and Development" (TREAD) during the 9th plan period which has slightly been modified and is now put in operation. The scheme envisages economic empowerment of such women through trade related training, information and counselling extension activities related to trades, products, services etc.

Objectives

Experience has revealed that apart from counselling and training, delivery of credit poses the most serious problem for the poor women. There is also dearth of information with regard to existing status of women and their common needs for providing necessary support. Since such women are not able to have an easy access to credit, it has been envisaged that the credit will be made available to women applicants through NGOs who would be capable of handling funds in an appropriate manner. These NGOs will not only handle the disbursement of such loans needed by women but would also provide them



adequate counselling, training and Assistance in developing markets.

Salient features of the schemes.

A. Credit to Projects - Government Grant up to 30% of the total project cost as appraised by lending institutions which would finance the remaining 70% as loan Assistance to applicant women, who have no easy access to credit from banks due to their cumbersome procedures and the inability of poor & usually illiterate/semi-literate women to provide adequate security demanded by banks in the form of collaterals. GOI Grant and the loan portion from the lending agencies to assist such women shall be routed through eligible NGOs engaged in assisting poor women through any kind of income generating activities in nonfarm sector. For example if an NGO submits project(s) for a number of individual or group(s) women say for Rs. 50,000 each for a group of 50 women, then the loan amount required by 50 women would be Rs. 25 lakhs. To it would be added the expenditure that the NGO will make in training / counseling of staff, part expenses on operationalising a management and monitoring system, vehicles, charges for legal documentation, training of loaners, auditors fees charged. Say duly approved by lending institutes, it works out to be Rs. 15 lakhs. Then the total project cost would be Rs. 25 + 15 = 40 lakhs. The GOI grant would be maximum up to Rs. 12 lakhs (30% of Rs. 40 lakhs).

Core Areas :

- Horticulture, floriculture, cultivation of medicinal and aromatic plants;
- Food-processing at the household/village level;
- Food storage establishment, particularly cold chains;
- Handloom, handicrafts and other artisanal products: particularly design improvement, technology-transfer and marketing;
- Ventures in poultry, sheep-breeding and production, collection, storage and marketing of milk: aimed at import substitution;
- Setting up of computer literacy/training institutes in villages/habitations particularly with a population of less than 3000 souls;
- Health services unit/dental care units set up by doctors;
- Pathological labs including diagnostic facilities set up by doctors/trained professionals;



- Tourism-related enterprises covering houseboat owners, setting up of Paying Guest facilities, small dhabas and restaurants with a capacity of 20 seats.

SCHEMES OF WOMEN EMPOWERMENT IN JAMMU AND KASHMIR

Jammu & Kashmir State Women's Development Corporation registered under companies Act, 1956 having been established in 1991 has started its functioning in the year 1994. J & K Women's Development Corporation is implementing various centrally sponsored schemes for women empowerment.

Women's Dev. Corporation has the mission of empowering women by providing development training, financing & marketing support under single window system. It plays a pivotal role for making women self-reliant by establishing income-generating units. Women's Development Corporation also has successfully taken up the challenge of empowering women by framing self-help groups which are now working independently for the upliftment of women under the banner of Block Level Societies. Women's Development Corporation does not limit itself only to the welfare but believes in the overall development of the women through their efforts with the support of the Corporation.

Women must struggle to perform activities outside the home with their traditional roles. They cannot participate fully in economic & public life. In view of limited access to political influence & power, they have narrow occupational choices & lower earnings than men.

A woman's capability for leadership is obviously nurtured through her dealing with household members under her command and control. It is however unfortunate that the economic and legal reforms towards upliftment of women have awakened only a few of them. J&K WDC is charged with the responsibility of taking initiatives for socio-economic empowerment of women. Apart from generating awareness in the women about their rights & duties, JKWDC is arranging financial assistance in the shape of loans to women living below the poverty line for starting income-generating activities.

OBJECTIVES:

- Identification and promotion of women entrepreneurs.
- Conducting of awareness camps and identifying women for various activities by which they can be empowered.
- To empower women by helping them to establish income-generating units by providing soft loan at a very low rate of interest.



- Identification of activities trades for skill up gradation, training and thereof framing Self Help Groups amongst them for providing micro credit.
- To empower women by framing Self Help Groups and thereafter framing Block level Societies this shall work independently as NGOs/ Cooperative Societies in a particular Block.

SCHEMES UNDER IMPLEMENTATION

Scheme for National Minority women for establishing Income generating units financed by National Minorities Development & Finance Corporation:

Government of India has identified five communities viz, Muslims, Buddhists, Sikhs, Christians, Zoroastrians as minorities at the National Level. The corporation provides long term loan at a concessional rate of interest to assist the poor women of these communities for setting up of their own income generating units.

Eligibility Criteria:

A female state subject of J&K state belonging to minority community (Age 18-45 years), not a defaulter with other financial institutions (Supported by Affidavit) with annual family income of Rs. 54000/- or less for urban areas and Rs 42000/- or less for rural areas.

How to Apply:-

The beneficiary will fill up the form available at the rate of Rs. 10/- at the office of Development officer concerned.

Project Cost (Rs)	NMDFC Share	WDC Share	Beneficiary's Share	Interest Rate
25000 to 1 lakh	85%	10%	5%	6%

Terms and conditions of NMDFC loans to individuals:-

Notes:

- (1) Repayment period of 5 year at simple interest rate. After 5 years, interest rate of 18% will be charged.
- (2) Loans can be utilized for desktop publishing, videography , cutting and tailoring, embroidery, beauty parlour, pashmina spinning, dairy farming, weaving, willow work etc.



Terms and conditions of NMDFC micro Credits to group:-

Project Cost (Rs)	Self Help Group (SHG)	Interest Rate
5000 to 25000 per beneficiary	15 to 20 beneficiaries in a group	4%

Notes:

- (1) Repayment period of 3 years at simple interest rate.
- (2) NGOs can avail the micro credit facility from WDC at the rate of 5% and lend to SHGs at the rate of 8%.
- (3) Loans can be utilized for technical activities like
 - (i) videography, photocopier unit, DTP etc.
 - (ii) Beauty Parlour, repairing of electric/ electronic items etc
 - (iii) Production Sector: Pashmina, Spinning and any other activity profitable/suitable.

Vocational Training NMDFC:-

Vocational training to a group of 30-60 beneficiaries for computers, type, shorthand, food processing, cutting & tailoring, embroidery,, deepaz painting, pottery or any other activity suitable/profitable to women beneficiary through reputed institutions & NGO's.

Mahila Samaridhi Yojana (MSY):-

Under MSY, a group of 20 girls are trained in a particular trade; say readymade garments, through an NGO which has already created infrastructure for such training. After maximum 6 months of training which is provided free of cost and during which a stipend is also provided to girls, after competition up to RS 25,000 in a group is provided.

(2) National Backward Classes Finance and Development Corporation:-

This scheme is for the development of women belonging to backward classes as prescribed under State SRO 126. The corporation under this scheme provides loans to the beneficiaries at concessional rate of interest.

Eligibility Criteria: -

A female state subject belonging to Backward class community (Age 18-45 years) not a defaulter with other financial institutions with annual family income of Rs 55000 or less for Urban areas and Rs 40000 or less for rural areas.



How to Apply:-

The beneficiary will fill up the form prescribed by WDC at the rate of Rs 10.

Terms & conditions of NBCFDC loan to individuals:-

Project Cost (in Rs)	NBCFDC Share	WDC Share	Beneficiary Share	Interest Rate	Repayment
50000 to 1 lakh	85%	10%	5%	5%	3 years
Up to 50000 (New Swarnima)	95%	5%	Nil	4%	5 years

Note:-Repayment period of 5 years at simple interest rate, after 5 years, interest will be charged at 12%.

Terms & conditions of NBCFDC (Under Micro Credit):-

Project cost (in Rs)	Self Help Group (SHG)	Interest Rate
5000 to 25000 per beneficiary	15-20 beneficiaries in a group	4%

Notes:-

- Repayment period of 3 years at simple interest rate.
- NGO's can avail the Micro Credit Facility from JKWDC at 5% and can in turn lend to SHG's.
- Scheme for physically disabled women for establishing income generating units:-
- This scheme funded by National Handicapped Finance & Development Corporation (NHFDC) has a target group of handicapped women with 40% disability.

Eligibility Criteria:-

Any female state subject with 40% disability or more in the age group of 18-45 years having a family annual income of Rs 1 lakh or less for urban areas and Rs 80000 or less for rural areas having relevant educational qualification and not a defaulter with other financial institution .

How to Apply:-

The beneficiary will fill up the form prescribed by WDC available at the rate of Rs 10.

Terms & Conditions of NHFDC loans:-



Project Cost(in Rs)	NHFDC Share	WDC Share	Beneficiary Share	Interest Rate
Less than 50000	100%	Nil	Nil	3%
50000 to 1 lakh	95%	5%	Nil	4%
1 lakh to 5 lakh	90%	5%	5%	7%
Above 5 lakh	85%	10%	5%	8%

Notes:-

- Repayment period of 6 years at simple interest, after 6 years, interest rate of 12% will be charged.
- Rebate of 0.5% on interest for timely repayment of loans.
- Financial assistance in the form of loans is also provided for setting up vocational training centers, including computer training centers.

Skill Development Training under NMDFC/NBCFDC Schemes:- J&K WDC is implementing schemes of NMDFC, NBCDFC which also sanctions grant in aid for setting up training centers for skill development of artisans/women beneficiaries, thereafter women are brought under Micro Credit Net. NMDFC provides 85% of the project cost of training as apex Corporations share and State Governments contribution is 15%. These training programs are conducted by JKEDI, IICT, KCS and JKWDC.

CONCLUSION

Women entrepreneurs have become a strong driving force in today's corporate world. Not only are they able to equalize their duties of both motherhood and entrepreneurship but they also comprise of almost half of all businesses owned today. Many women entrepreneurs have an average age of 40-60 years old because they have had previous careers in other areas. Their primary goal is not monetary reward but rather personal satisfaction and community involvement. Many of them are educated and assemble into groups in order to pool business ideas and resources together.

Women entrepreneurs also have more access to business capital and seed funding than ever before. Yet despite the many opportunities, many prospective women entrepreneurs are intimidated to move forward. Overall, there are many promising forthcoming predictions for women business owners. They will continue to form female business



networks, transition towards information technology, and rely strongly on e-commerce as their form of trade.

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