

EMPOWERING WOMEN THROUGH ENTREPRENEURSHIP WITH FOCUS ON SMEs: CHALLENGES AND SOLUTIONS

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I. CONCEPT OF WOMEN ENTREPRENEURS

Women Entrepreneurs may be defined as the women or a group of women who initiate, organize and operate a business enterprise. The Government of India has defined women entrepreneurs as- an enterprise owned and controlled by 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 India, as per the Business Report 2014 and Survey conducted by IFC, women-owned enterprises contribute 3.09% of industrial output and employ over 8 million people; About 98% of women-owned enterprises, however, are micro enterprises and the bulk of the businesses, roughly 78%, are in the services sector.

Women entrepreneurs can be divided into three categories:

1. Entrepreneurs in Large and Medium Sector - The women in this sector are in superior position due to their educational and professional qualifications. They have the capability to initiate, set up and operate the business units. Those who have a basic managerial degree, training, including MBA degree usually lead both medium and large units.
2. Entrepreneurs in the Small Sector - In this sector the women aren't educated enough but they are skilled enough to set up small scale industry with the products that they are familiar with like garments, weaving, pickles, dolls and handicrafts. Some have taken up into engineering, electronics, chemicals, pharmaceuticals, surgical instruments, furniture and pottery. In this sector they face many problems due to lack of information, attitudinal reluctance of officers etc.
3. The third category of women entrepreneurs - This category work in cities and slums to facilitate women with lower means of living. Their service inspired organization to assist economically backward sections. They require Government assistance in marketing as well as getting finances at a concessional rate for their products.

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II. MSMEs AND WOMEN ENTREPRENEURS

The micro, small and medium scale enterprises (MSMEs) have been by and large recognized as the basis of the industrial development of any country. They have a very important role when it comes to the development of India and after agriculture it is considered to be the next largest source of income. MSMEs account for almost 40% of industrial production, 95% of the industrial units, 34% of the exports and manufacture over 6000 products. This sector produces a combination of industrial products such as food products, beverage, tobacco and goods produced from it, cotton textiles and wool, silk, synthetic products, jute and jute products, wood and wood products, furniture and fixtures, paper and goods produced from it and also include machinery, apparatus, appliances and electrical machinery.

In accordance with the provision of Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 the Micro, Small and Medium Enterprises (MSME) are classified in two Classes:

(a) Manufacturing Enterprises: The enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the industries (Development and Regulation Act, 1951). The Manufacturing Enterprises are defined in terms of investment in Plant & Machinery.

(b) Service Enterprises: The enterprises engaged in providing or rendering of services and are defined in terms of investment in equipments.

According to the Micro, Small and Medium Enterprises (MSME) Development Act of 2006,

Manufacturing Sector	
Enterprises	Investment in plant & machinery
Micro Enterprises	Does not exceed twenty five lakh rupees
Small Enterprises	More than twenty five lakh rupees but does not exceed five crore rupees
Medium Enterprises	More than five crore rupees but does not exceed ten crore rupees
Service Sector	

Enterprises	Investment in equipments
Micro Enterprises	Does not exceed ten lakh rupees:
Small Enterprises	More than ten lakh rupees but does not exceed two crore rupees
Medium Enterprises	More than two crore rupees but does not exceed five crore rupees

The MSMEs have played a pivotal role in developing countries like India as through this many developmental goals can be achieved as they help in creating jobs, industrialization and thereby help in alleviating poverty.

Like a male entrepreneur 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.

The role of Women Entrepreneur needs to be considered in the economic development of the nation for various reasons. Women Entrepreneur has been recognized during the last decade as an important untapped source of economic growth. Women Entrepreneurs create new jobs for themselves and others and by being different also provide society with different solutions to management, organization and business problems as well as to the exploitation of Women Entrepreneurial opportunities. Women across India are showing an interest to be economically independent. Women are coming forth to the business arena with ideas to start micro, small and medium enterprises. They are willing to be inspired by role models- the experience of other women in the business arena. The myth that women cannot engage in productive employment needs to be dispelled. They can be encouraged to set up small and medium scale industries on their own initiative. Entrepreneurship development for women is an important factor in economic development of India.

Government of India has pronounced from time to time through its Industrial policies for the empowerment and development of women for which special emphasis has been given to entrepreneurship of women by way of training and support services especially to first

generation women entrepreneurship. Several entrepreneurship development programmes is organized for their development. The MSME sector was given preference after the liberalization policy and it was no more considered as a new form of industry and thereby the attitude of the Government changed gradually and as result of which many of the products got de-reserved.

The MSME Development Act 2006, came into being with effect from 2nd October, 2006, subsequent to which, both the Central and State Governments took effective measures towards implementation of the Act. So as to make MSME's competitive with regard to other industries Government of India in the budget speech 2005-2006 declared to implement National Manufacturing Competitiveness Programme (NMCP) which ensured growth of MSME's. Under the NMCP, five mechanism have been made operational, which comprise quality management systems and quality technology tools, building consciousness on intellectual property rights, support for entrepreneurial and managerial development through incubators, setting up of new mini tool rooms and marketing assistance/ support to MSMEs.

For women these MSME's are biggest source of employment and provides livelihood for country's 90% workforce. The development of Entrepreneurship is connected with growth of MSMEs and it is important for developing countries as it is accounted for more than 95% of all firms. The degree of women entrepreneurship development is usually lower in developing countries as compared to the developed countries which is actually closely related to the degree of gender equity. Women entrepreneurs generate innovative jobs for themselves and others and make available various answers to management, organization and the problems that occur in the course of business as well as to the utilization of entrepreneurial opportunities but they represent minority of all entrepreneurs. Since, they are in minority they face discrimination and opposition to becoming successful entrepreneurs, thus this failure in the market needs to be considered by the policy makers so that the economic potential of this group can be fully utilized. The status of women and the status of entrepreneurship are related to women's entrepreneurship which is really low, it can be suggested that increasing the capabilities of women to involve themselves and contribute in the labour force and in general to develop the position of women in society and generally increasing the possibility to employ in entrepreneurship is central. For overall growth of economy promotion of women entrepreneurs is a precondition for which more focused and targeted programmes are needed for the development of women entrepreneurs.

III. POLICIES AND SCHEMES FOR WOMEN ENTREPRENEURS IN INDIA

A variety of programmes are conducted by the NGO's, the nationalized banks, numerous small state development corporations, the MSME development organizations which also includes programmes including Entrepreneurship Development Programmes (EDPs) to provide to the requirement of potential women entrepreneurs, who may not have sufficient educational backdrop and ability. There are many problems that are faced by the women entrepreneurs and thus a women cell is opened by office of DC (MSME) for providing coordination and assistance. In addition to the special schemes for women entrepreneurs, various government schemes for MSMEs also provide certain special incentives and concessions for women entrepreneurs. There are various schemes for the women entrepreneurs for their development which provide special concessions and incentives; one among them is Prime Minister's Rozgar Yojana (PMRY) in which the preference is given to women beneficiaries. So as to make more effective the government has also made several relaxations for women for more participation in this scheme.

Bharatiya Mahila Bank is a one of a kind Bank in India formed with a vision of economic empowerment for women. Bharatiya Mahila Bank commenced operations in 2013 and currently has 45 branches across India. Bharatiya Mahila Bank focuses on women entrepreneurship with special attention to economically neglected, deprived, discriminated, underbanked, unbanked, rural and urban women to ensure inclusive and sustainable growth.

In the same way, the Ministry of MSME has contributed the MSE Cluster Development Programme which 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. Another project that the Ministry has been involved is the Scheme on Trade Related Entrepreneurship Assistance and Development (TREAD) for Women which focuses on empowerment of women through providing effective credit facilities, training and counseling, providing information and through other indirect means such as providing assistance to NGO's and other administrative arrangements.

Similarly, under the Credit Guarantee Fund Scheme for Micro and Small Enterprises, the guarantee cover is generally available upto 75% of the loans extended; nonetheless the extent of guarantee cover is 80% for MSEs operated and/ or owned by women. There is more than 25

schemes for women which the Government of India has formulated for the betterment and growth of women entrepreneurs which is operated by different departments and ministries.

IV. PROBLEMS FACED BY WOMEN ENTREPRENEURS IN INDIA

Women face a lot of problems as a result of which they do not realize their potential as entrepreneurs even though the entrepreneurial method is equal for both men and women. Some of the problems faced by them are discussed which are of different dimensions and magnitude:

1. Patriarchal and male dominated society: Since it is a male dominated society women face a lot of problems and it becomes a hurdle to them for carrying on any business enterprise. So the biggest problem is that they are women and are suppressed by the society and male members think that financing women would be a big risk.

2. Disbelieving women entrepreneurs and their skill: Bankers do not trust women in giving them loans and they are thus skeptical about the same for which they put irrational conditions and securities which become difficult for them to get loans. 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. Lack of access to financial resources: since very few women have tangible property therefore it becomes difficult for women to get funds because of their inability to show tangible security. Entrepreneurs require financial assistance but women suffer from inadequate sources and capital for starting a business.

4. Family vs. entrepreneurship: In India for women family plays an important role as a result of which it becomes a hurdle for becoming a successful entrepreneur. Since they have to attend their family so it becomes difficult for them to attend their business and thus financial institutions discourage women entrepreneurs on the belief that they can at any time leave their business for which women have to rely on their savings and loan from family members.

5. Lack of Managerial Skills: It has been argued that women don't know much about managerial skill but nowadays it is a myth. It is said that they have to depend on others to get

things done. Another factor that is a hindrance is that women are not always equipped with adequate knowledge and skills to tap opportunities. They lack exposure to practical aspects of running a business. This further deepens their isolation and lowers their self-esteem for achieving success. It is crucial to address these gaps in knowledge, skills and attitudes through capacity building programmes. But with more women leaders coming to the forefront on corporates boards and as entrepreneurs, like Indra Nooyi, Chanda Kochar, Kiran Majumdar Shaw, Neelam Dhawan, Sulajja Firodia Motwani hopefully these intrinsic pressures will slowly fade away.

6. Lack of organizational skills and male-female competition: Another factor is this which is considered as an obstacle for women. Despite women are good in keeping their service prompt and delivery in time, due to lack of organizational skills compared to male entrepreneurs women have to face constraints from competition. The confidence to travel across day and night and even different regions is less found in women as compared to male entrepreneurs. This shows the low level freedom of expression and freedom of mobility of the women entrepreneurs.

7. Lack of Information and Assistance: Another significant need of many women business owners is obtaining the appropriate assistance and information needed to take the business to the next level of growth. In a study conducted to gather information needs of women entrepreneurs, those who were just starting their ventures, requested assistance and training in implementing the business idea, identifying initial sources of financing, and advertising/promotion.

V. RECOMMENDATIONS

Some of the recommendations which need to be taken care of so as to enhance the empowerment of women whose main purpose is to enhance the knowledge and generate informed understanding on the opportunities, issues and resources which are directed in support of women entrepreneurs:

- The status of the women is to be enhanced in the society and thereby encouraging entrepreneurship will certainly have benefits in terms of expansion of women's entrepreneurship. By enhancing the ability of women to add and contribute in the

labour force through the availability of affordable child care and treating them likewise in the place of employment will improve their skill.

- Take note to the opinion of women entrepreneurs. The formation of government offices of women's business ownership is one way to make it easier. Such offices could have programme responsibilities such as providing women's business centres, organising information seminars and meetings and/or providing web-based information to those wanting to start and grow a business.
- Incorporate a women's entrepreneurial dimension in the formation of all SME-related policies. This can be done by ensuring that the impact on women's entrepreneurship is taken into account at the design stage.
- Encourage the expansion of women entrepreneur networks. These are chief sources of information concerning women's entrepreneurship and precious equipment for its growth and endorsement. Co-operation and partnerships between national and international networks can ease entrepreneurial activities by women in a global economy.
- At regular intervals assess the impact of any SME-related policies on the victory of women-owned businesses and the degree to which such businesses take advantage of them. The objective should be to identify ways to improve the effectiveness of those that should be retained. Good practices that are identified in this way should be disseminated and shared internationally.
- Improve the factual and analytical underpinnings of our understanding of the role of women entrepreneurs in the economy. This requires strengthening the statistical basis for carrying out gender-related cross-country comparative analyses and longitudinal studies of the impact of important developments and policies, especially over time

Women empowerment must:

- Encourage entrepreneurship among women: improving the position of women in society and promoting entrepreneurship usually will have advantages in terms of women's entrepreneurship.
- add to business insight and technical know-how;
- give new opportunities to bridge the gaps and augment opportunities for linkages;
- promote complete toolkits to facilitate joint venture opportunities for economic empowerments, improved production, job creation and poverty alleviation;

- suggest governments for extra helpful regulatory and administrative environment for women entrepreneurs;
- consider gender-specific constraints faced by women entrepreneurs;
- recognize the function of different intermediaries such as associations and NGOs, micro finance institutions towards enhancing women entrepreneurship;
- propose method to advance the reach of credit to women entrepreneurs through a inclusive programme;
- contribute to high-quality practices in the encouragement of woman entrepreneurship;
- examine performance and support measures for promoting female entrepreneurship in different countries; and
- Capacity building of women entrepreneurs for improved competitiveness, technology riveting capacities and women's control over asset management. Listen to the voice of women entrepreneurs. The creation of government offices of women's business ownership is one way to facilitate this. Such offices could have programme responsibilities such as providing women's business centres, organising information seminars and meetings and/or providing web-based information to those wanting to start and grow a business.

VI. CONCLUSION

The Women's entrepreneurship is about the women's role in entrepreneurship and their position in the same society. They face a lot of problems in the market and also societal and family pressure which doesn't allow them to be at par with men, removing gender bias. In order to overcome these obstacles they have to be treated at par with the men and they are to be given same chance as well as opportunities that are given to men. Over the years women's share in the labor force is continuously rising. MSMEs add to a country's growth, assist decrease poverty and encourage self-reliance amongst people along with that they are vital institution for women in rural areas who are keenly involved in economic activities not only as hired workers but also as promising entrepreneurs. For development and the growth of the women's status in the society there is need for involvement in the labour force which is gradually increasing and in particular the entry of women in micro-enterprises should be encouraged. Women have skill and indigenous knowledge to manage an enterprise but the need is regarding the knowledge of loans, awareness of Govt. schemes, funding facilities and other credit sources. Thus, an enabling macroeconomic environment is a key requirement for a free market

economy so that women can have easy access to finance. More than 53% women were unable to secure badly needed loans from the commercial banks. Forming women network should be encouraged which provides major sources of knowledge and helps in the development of women entrepreneurship. These all things will motivate women to join MSMEs so that they can add income to their family and side by side to the national income and GDP. For Empowerment, Policies should be framed and empowerment made should be made strong, alert, and aware of same status and everything can be achieved more with the improvement of educational facilities by female literacy. Hence, empowerment of women is the result of women entrepreneurship.

