



Role of Women Entrepreneurship in Make In India- Issues and Challenges

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Abstract

In the Globalised world, women entrepreneurs are playing a vital role and they have become important part of the global quest for the sustained economic development and social progress. In India, though women have played a key role in the society, their entrepreneurial ability has not been properly tapped due to the lower status of women in the society. In India, the women role has been explicitly recognized with a market shift in the approach from women welfare to women development and empowerment from the Fifth Five Year Plan (1974-79) onwards and today the significant role of women in entrepreneurship constantly increasing due to various global factors. The Government of India has been implementing several policies and programmes for the development of women entrepreneurship in India. Make in India is a great opportunity for women to emerge as entrepreneur. On the other hand Make in India will get a boost if Indian women participate in making country a manufacturing hub. Socio – economic background is an important hurdle which influences the woman to start their business. But under Make in India this hurdle will not be of so importance as Government of India is going to provide lot of financial and other incentives to new businesses.

Key Words: Women, Entrepreneurship, Role

Introduction:

Incentivizing diversity in the value chain with already existing financial policies can promote success for local woman-owned businesses while contributing to Modi's manufacturing revolution. 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 developing economies, the small, medium and cottage industries are able to create livelihood to the poor and needy of the society. The small savings of rural areas are contributing more in establishing the small and micro enterprises in India 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 something new. Such a 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.

Two highlighted industries in the Make in India campaign—garment and food processing—are popular among women entrepreneurs. A significant share of women's entrepreneurship takes place in garment manufacturing, with nearly half of all women-owned enterprises in this sector. With another 10% of women-owned enterprises in food processing, there is significant scope to boost women's entrepreneurship. Women's participation in manufacturing at the moment comes in just under 15% in all sectors, which is considerably low and the potential remains unexplored. Creating incentives for women in manufacturing needs to complement strategies to boost manufacturing. There are a limited number of policies that incentivize women in manufacturing. Women-specific schemes, which are exclusively meant for women, are limited in number and have carried from the erstwhile small-scale industries era, which did not encourage innovative entrepreneurship. These are mostly geared to women who enter entrepreneurship for survival, to generate an income and not for expansion. These policies come with many restrictions on the use of funds as somewhat straight-jacketed capital access, which stymies the potential to be bold and aggressive in an expansionary model of growth.

None of these policies, even if exclusively for women, really address or offer solutions to the unique problems women entrepreneurs face. A recent report by the International Center for Research on Women (ICRW) synthesizes these problems, with finance and marketing being key challenges for women in the entrepreneurial ecosystem. ICRW's study found that financial institutions act under prevailing gender-biased attitudes and put less faith and confidence in a woman-owned enterprise, often forcing women to start businesses with low financial investments. Since women lack viable networks from which to gather capital (other than family), private borrowing is often not an option. As part of a larger value chain, women entrepreneurs will be cushioned from these biased loan allocations. With stable orders, a



steady cash flow and with proven delivery, scaling up for women-owned enterprises can be done with more efficacy. This stability and ability to scale up can allow women a safer and less risky path to gain confidence, allowing them to venture out with their own production and products. With constant resistance from market players, women entrepreneurs find it harder to access market knowledge and marketing skills. The head of a women's entrepreneurship wing at a large industry association added that women are socialized in a way that constrains them in marketing products. Women hesitate in marketing, selling and pushing for their products; restrictions on their mobility and initial hesitation to engage in spaces traditionally dominated by men amplify this. Incentivizing diversity in manufacturing value chains in public and private companies is a practical solution to some problems that women-owned enterprises face. Companies such as International Business Machines Corp.(IBM) already promote diversity in their supply chain amounting to Rs.360 crore input from women vendors. Entrepreneurs interviewed in the forthcoming ICRW study recommended that the government create an enterprise-rating system for women-owned businesses that assesses business readiness and rates the eligibility of women-owned suppliers in becoming vendors in supply chains. Women often have to work harder to gain the confidence of actors in the ecosystem. With an accreditation from an enterprise-rating system, a woman will be able to approach large manufacturers with the confidence of an external agency to back her merit .Already existing initiatives such as Small Industries Development Bank of India's (Sidbi) receivable finance scheme can be used to ease large companies into this model. The receivable finance scheme allows Sidbi to mitigate the problem of delayed payments to MSMEs with the financial institution paying small vendors, keeping cash flowing to them and giving credit to large vendors. Incentivizing diversity in the value chain with already existing financial policies can promote success for local woman-owned businesses while contributing to Modi's manufacturing revolution.

Objectives:

1. To study the role of women entrepreneurship in Make in India.
2. To study the factors influencing the women entrepreneurship.
3. To suggest measures for promotion of women entrepreneurship.



Research Methodology:

The study is based on secondary data. The required data has been collected from various sources i.e. research papers, various Bulletins Of Reserve Bank Of India, Publications from Ministry Of Commerce, Govt. Of India that are available on internet.

Data Collection:

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Top Women Entrepreneurs India:

Indra Nooyi

The most well-known face amongst Indian women entrepreneurs -Strong-willed, with an acute acumen for financial strategizing, Nooyi is the CFO and President of PepsiCo. Her strong acumen for business has helped the company garner as much as 30 billion dollars worth of crucial deals within the last couple of years. With a Masters Degree in Public Management from Yale University and Masters in Finance and Marketing from IIM, Kolkata, Nooyi held several senior positions at Motorola and Asea Brown Boveri before joining PepsiCo.

Kiran Mazumdar Shaw

From humble beginnings to being the richest woman in the country! :Kiran Mazumdar Shaw is one of the richest women in India studied zoology at Bangalore University and brewery at Ballarat University. She started her career as trainee brewer at Carlton & United Beverages in 1974. Four years later she started her own company, Biocon, in her garage with an investment of Rs 10000. Three issues –biotechnology was nascent at the time in India, she was a woman and her organization had almost nil assets – made financial institutions turn down her loan application. However, with hard work and commitment, Shaw transformed Biocon into one of the leading biopharmaceutical firms in India

Indu Jain – the perfect picture of the successful Indian woman entrepreneur - This multi-faceted lady used to be the Chairman of The Times Group – the most powerful and the largest media house India has known. Indu Jain is known by many different identities such



as that of a spiritualist, humanist, entrepreneur, an aficionado of culture and the arts, an educationalist but her most prominent and eminent role has been that of Chairman Times Group.

The CMD of India's largest publicly traded biopharma organisation, Kiran Mazumdar Shaw is in fact, one of the top 100 most powerful woman in the world. In 2014, she was also awarded the Othmer Gold Medal for outstanding contribution to the progress of science and chemistry. She has been described as the wealthiest self-made woman in India by Forbes magazine. As of fiscal year 2014, her total compensation was Rs. 16,347,463

Chanda Kochhar, MD and CEO, ICICI Bank.

Since 2005, Chanda Kochhar has consequently been featured in Fortune's list of 'Most Powerful Women in Business.' In 2009, she also ranked 20 in Forbes 'World's 100 Most Powerful Women.' Chanda Kochhar is widely recognised for her role in shaping the retail banking sector in India and for her leadership of the ICICI Group, as well as her contributions to various forums in India and globally. As of 2014, Chanda Kocchar's total compensated packaged was Rs. 52,282,644

Factors Influencing Women Entrepreneurship

1 Push Factors- Push factors are elements of necessity such as insufficient family income, dissatisfaction with salaries job, difficulty in finding work and a need for flexible work schedule because of family responsibilities. These factors may have more importance for women than for men.

2 Pull Factors- Factors that work as entrepreneurial drive factors relate to independence, self-fulfillment, entrepreneurial drive and desire for wealth, power and social status, co-operation and support of family members and a strong network of contacts. The most prominent factor is self achievement expressed in terms of challenge which helps women to start, run their own business and turn it into a profitable venture. When a strong need for achievement could not be fulfilled through a salaried position or when there was a desire to transform a perceived opportunity into a marketable idea, then these factors work for a person to start their own venture



Problems Faced By Indian Women Entrepreneurs

Besides the above basic problems the other problems faced by women entrepreneurs are as follows:

1 Family Ties: Women in India are very emotionally attached to their families. They are supposed to attend to all the domestic work, to look after the children and other members of the family. They are over burden with family responsibilities like extra attention to husband, children and in laws which take away a lots of their time and energy. In such situation, it will be very difficult to concentrate and run the enterprise successfully.

2 Male Dominated Society: Even though our constitution speaks of equality between sexes, male chauvinism is still the order of the day. Women are not treated equal to men. Their entry to business requires the approval of the head of the family. Entrepreneurship has traditionally been seen as a male preserve. All these puts a break in the growth of women entrepreneurs.

3 Lack Of Education: Women in India are lagging far behind in the field of education. Most of the women (around sixty per cent of total women) are illiterate. Those who are educated are provided either less or inadequate education than their male counterpart partly due to early marriage, partly due to son's higher education and partly due to poverty. Due to lack of proper education, women entrepreneurs remain in dark about the development of new technology, new methods of production, marketing and other governmental support which will encourage them to flourish.

4 Social Barriers: The traditions and customs prevailed in Indian societies towards women sometimes stand as an obstacle before them to grow and prosper. Castes and religions dominate with one another and hinders women entrepreneurs too. In rural areas, they face more social barriers. They are always seen with suspicious eyes.

5 Shortage Of Raw Materials: The scarcity of raw materials, sometimes nor, availability of proper and adequate raw materials sounds the death-knell of the enterprises run by women entrepreneurs. Women entrepreneurs really face a tough task in getting the required raw material and other necessary inputs for the enterprises when the prices are very high.



6 Problem Of Finance: Women entrepreneurs suffer a lot in raising and meeting the financial needs of the business, Bankers, creditors and financial institutes are not coming forward to provide financial assistance to women borrowers on the ground of their less credit worthiness and more chances of business failure. They also face financial problem due to blockage of funds in raw materials, work-in-progress finished goods and non-receipt of payment from customers in time.

7 Tough Competitions: Usually women entrepreneurs employ low technology in the process of production. In a market where the competition is too high, they have to fight hard to survive in the market against the organised sector and their male counterpart who have vast experience and capacity to adopt advanced technology in managing enterprises

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Several factors including inefficient management contribute to the high cost of production which stands as a stumbling block before women entrepreneurs. Women entrepreneurs face technology obsolescence due to nonadoption or slow adoption to changing technology which is a major factor of high cost of production.

9 Low Risk-Bearing Capacity: Women in India are by nature weak, shy and mild. They cannot bear the amount risk which is essential for running an enterprise. Lack of education, training and financial support from outsiders also reduce their ability to bear the risk involved in an enterprises.

10 Limited Mobility: Women mobility in India is highly limited and has become a problem due to traditional values and inability to drive vehicles. Moving alone and asking for a room to stay out in the night for business purposes are still looked upon with suspicious eyes. Sometimes, younger women feel uncomfortable in dealing with men who show extra interest in them than work related aspects.

11 Lack Of Entrepreneurial Aptitude: Lack of entrepreneurial aptitude is a matter of concern for women entrepreneurs. They have no entrepreneurial bent of mind. Even after attending various training programmes on entrepreneurship women entrepreneurs fail to tide over the risks and troubles that may come up in an organisational working.



12 Limited Managerial Ability: Management has become a specialised job which only efficient managers perform. Women entrepreneurs are not efficient in managerial functions like planning, organising, controlling, coordinating, staffing, directing, motivating etc. of an enterprise. Therefore, less and limited managerial ability of women has become a problem for them to run the enterprise successfully.

13 Legal Formalities: Fulfilling the legal formalities required for running an enterprise becomes an upheaval task on the part of an women entrepreneur because of the prevalence of corrupt practices in government offices and procedural delays for various licenses, electricity, water and shed allotments. In such situations women entrepreneurs find it hard to concentrate on the smooth working of the enterprise.

14 Exploitation By Middle Men: Since women cannot run around for marketing, distribution and money collection, they have to depend on middle men for the above activities. Middle men tend to exploit them in the guise of helping. They add their own profit margin which result in less sales and lesser profit.

15 Lack Of Self Confidence: Women entrepreneurs because of their inherent nature, lack of self-confidence which is essentially a motivating factor in running an enterprise successfully. They have to strive hard to strike a balance between managing a family and managing an enterprise. Sometimes she has to sacrifice her entrepreneurial urge in order to strike abalance between the two

Steps Taken By The Indian Government

The growth and development of women entrepreneurs required to be accelerated because entrepreneurial development is not possible without the participation of women. Therefore, a congenial environment is needed to be created to enable women to participate actively in the entrepreneurial activities. There is a need of Government, non-Government, promotional and regulatory agencies to come forward and play the supportive role in promoting the women entrepreneur in India. The Government of India has also formulated various training and development cum employment generations programs for the women to start their ventures. These programmes are as follows:



1 Steps taken in Seventh Five-Year Plan: In the seventh five-year plan, a special chapter on the “Integration of women in development” was introduced by Government with following suggestion:

A) Specific target group: It was suggested to treat women as a specific target groups in all major development programs of the country.

B) Arranging training facilities: It is also suggested in the chapter to devise and diversify vocational training facilities for women to suit their changing needs and skills.

C) Developing new equipments: Efforts should be made to increase their efficiency and productivity through appropriate technologies, equipments and practices.

D) Marketing assistance: It was suggested to provide the required assistance for marketing the products produced by women entrepreneurs.

E) Decision-making process: It was also suggested to involve the women in decision-making process.

2 Steps Taken By Government During Eight Five-Year Plan: The Government of India devised special programs to increases employment and income-generating activities for women in rural areas. The following plans are lunched during the Eight-Five Year Plan:

A) Prime Minister Rojgar Yojana and EDPs were introduced to develop entrepreneurial qualities among rural women.

B) „Women in agriculture“ scheme was introduced to train women farmers having small and marginal holdings in agriculture and allied activities.

C) To generate more employment opportunities for women KVIC took special measures in remote areas.

D) Women co-operatives schemes were formed to help women in agro-based industries like dairy farming, poultry, animal husbandry, horticulture etc. with full financial support from the Government.

E) Several other schemes like integrated Rural Development Programs (IRDP), Training of Rural youth for Self employment (TRYSEM) etc. were started to alleviated poverty.30-40% reservation is provided to women under these schemes.

3 Steps Taken By Government During Ninth Five-Year Plan: Economic development and growth is not achieved fully without the development of women entrepreneurs. The Government of India has introduced the following schemes for promoting women



entrepreneurship because the future of small scale industries depends upon the women-entrepreneurs:

(a) Trade Related Entrepreneurship Assistance and Development (TREAD) scheme was launched by Ministry of Small Industries to develop women entrepreneurs in rural, semi-urban and urban areas by developing entrepreneurial qualities. Women Entrepreneur In India

(b) Women Component Plan, a special strategy adopted by Government to provide assistance to women entrepreneurs.

(c) Swarna Jayanti Gram Swarozgar Yojana and Swarna Jayanti Sakshari Rozgar Yojana were introduced by government to provide reservations for women and encouraging them to start their ventures.

(d) New schemes named Women Development Corporations were introduced by government to help women entrepreneurs in arranging credit and marketing facilities.

(e) State Industrial and Development Bank of India (SIDBI) has introduced following schemes to assist the women entrepreneurs. These schemes are: (i) Mahila Udyam Nidhi (ii) Micro Credit Scheme for Women (iii) Mahila Vikas Nidhi (iv) Women Entrepreneurial Development Programmes (v) Marketing Development Fund for Women

4 Consortium Of Women Entrepreneurs of India provides a platform to assist the women entrepreneurs to develop new, creative and innovative techniques of production, finance and marketing. There are different bodies such as NGOs, voluntary organizations, Self-help groups, institutions and individual enterprises from rural and urban areas which collectively help the women entrepreneurs in their activities.

5 Training Programmes: The following training schemes especially for the self employment of women are introduced by government: (i) Support for Training and Employment Programme of Women (STEP). (ii) Development of Women and Children in Rural Areas (DWCRA). (iii) Small Industry Service Institutes (SISIs) (iv) State Financial Corporations (v) National Small Industries Corporations (vi) District Industrial Centres (DICs)

6 Mahila Vikas Nidhi: SIDBI has developed this fund for the entrepreneurial development of women especially in rural areas. Under Mahila Vikas Nidhi grants loan to women are given to start their venture in the field like spinning, weaving, knitting, embroidery products, block printing, handlooms handicrafts, bamboo products etc.



7 Rashtriya Mahila Kosh: In 1993, Rashtriya Mahila Kosh was set up to grant micro credit to pore women at reasonable rates of interest with very low transaction costs and simple procedures.

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