

ROLE OF BANKS IN THE DEVELOPMENT OF WOMEN ENTREPRENEURSHIP IN INDIA: A STUDY

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ABSTRACT

Women entrepreneurship is a potential means of empowering people, developing rural women and solving other social problems. Women entrepreneurs can be positioned to play an important role in promoting sustainable practices in economics, social system and ecology, to result a sustainable development. Women entrepreneurship is like a discipline for a child that begins at home. Women have been entrepreneurs in different ways. A house wife is an entrepreneur as she manages her time, strategies and plans in order to secure her children's future, passionate about her home and family and wears so many more different hats for a successful life. Today, we have given it a name "entrepreneur" as she steps out into the arena. In today's world, women have scaled greater heights in different industries. Women entrepreneurs have to find a balance economically and financially both home and career. Government is taking many initiatives towards the development of women entrepreneurship. On the other side, many banks have introduced many schemes for encouraging women entrepreneurship in India. Against this backdrop, the present paper studies the special programmes offered by the banks for the development of women entrepreneurship and also the study identifies some of the successful women entrepreneurs in India.

Keywords: plans , strategies, sustainable development, women entrepreneurship.

1.INTRODUCTION

Women are generally perceived as home makers with little to do with economy or commerce. But this picture is changing. In Modern India, more and more women are taking up entrepreneurial activity especially in medium and small scale enterprises. Even as women are receiving education, they face the prospect of unemployment. In this background, self employment is regarded as a cure to generate income .The Planning commission as well as the Indian government recognizes the need for women to be part of the mainstream of economic development. Women entrepreneurship is seen as an effective strategy to solve the problems of rural and urban poverty. Traditionally, women in India have been generally found in low productive sectors such as agriculture and household activities. Human Development Report 2004 ranks India 103 in Gender related Development Index (GDI). As per 2001 census; women constitute nearly half of India's population. Out of this total, 72% were engaged in agriculture, 21.7% in other non agricultural pursuits with only 6.3% in household industries.

2.REVIEW OF LITERATURE

Vijaykumar, A et al., (2013) in their paper focused on the problems, issues, challenges faced by women entrepreneurs, how to overcome them and to analyse policies of Indian government for the problems faced by the women entrepreneurs while carrying business.

Bharthvajan, R. (2014) identified the key issues and problems faced by women entrepreneurs, co-entrepreneurs and entrepreneurs from ethnic minorities. This study is descriptive research work carried out by the researcher. The author has used secondary sources for this study.

Sangolagi, K, et al., (2016) focused on opportunities for growth and challenges faced by women entrepreneurs of today. The paper is based on women roti makers working in Gulbarga city of Karnataka State in India.

3. OBJECTIVES OF THE STUDY

The main objectives of the study are identified below:

- To know the special schemes of banks for women entrepreneurs
- To identify some of the successful women entrepreneurs in India.
- To know the problems of women entrepreneurship in India
- To suggest the possible measures to overcome the problems of women entrepreneurship

4. RESEARCH METHODOLOGY

Secondary data has been used for this study. Information is being collected from various journals, magazines, research papers, news papers, banks annual reports.

5. DISCUSSION

5.1 CONCEPT OF WOMEN ENTREPRENEURSHIP

Entrepreneurship is an economic activity which is undertaken by an individual or group of individuals. Entrepreneurship can be defined as the making of a “new combination” of already existing materials and forces; that entrepreneurship throws up as innovations, as opposed to inventions and that no one is entrepreneur forever, only when he or she is actually doing the innovative activity. Women entrepreneurship is the process where women organise all the factors of production, undertake risks, and provide employment to others. The definition of women entrepreneurship has never been differentiated on the basis of sex and hence could be extended to women entrepreneurs without any restrictions.

According to Medha Dubhashi Vinze, a woman entrepreneur is a person who is an enterprising individual with an eye for opportunities and an uncanny vision, commercial acumen, with tremendous perseverance and above all a person who is willing to take risks with the unknown because of the adventurous spirit she possesses. Thus, a woman entrepreneur is one who starts business and manages it independently and tactfully, takes all the risks, faces the challenges boldly with an iron will to succeed. Women entrepreneurship is an economic activity of those women who think of a business enterprise, initiate it, organise and combine the factors of production, operate the enterprise and undertake risks and handle economic uncertainty involved in running a business enterprise.

5.2 SPECIAL SCHEMES OF BANKS FOR WOMEN ENTREPRENEURS

Some of the special schemes of banks for women entrepreneurs are as follows:

A. Annapurna Scheme

This scheme is offered by the State Bank of Mysore for those women entrepreneurs who are setting up food catering industry in order to sell packed meals, snacks, etc. The amount granted as a loan under this scheme can be used to fulfill the working capital needs of the business like buying utensils and other kitchen tools and equipment. Under this loan, a guarantor is required along with the assets of the business being pledged as collateral security. Further, the maximum amount of money that is granted is ₹ 50,000 which has to be repaid in monthly instalments for 36 months, however, 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.

B. Stree Shakti Package for Women Entrepreneurs

This scheme is offered by most of the SBI branches to women who have 50% share in the ownership of a firm or business and have taken part in the state agencies run Entrepreneurship development Programmes (EDP). The scheme also offers a discounted rate of interest by 0.50% in case the amount of loan is more than ₹ 2 lakh.

C. Bharatiya Mahila Bank Business Loan

This loan is a support system for budding women entrepreneurs looking to start new ventures in the fields of the retail sector, loan against property, MICRO loans, and SME loans. The maximum loan amount under this loan goes up to ₹ 20 crores in case of manufacturing industries and also a concession is available to the extent of 0.25% on the interest rate and interest rates usually range from 10.15% and higher. Additionally, under the Credit Guarantee Fund Trust for Micro and Small Enterprises, there is no requirement of collateral security for a loan of up to Rs.1 Crore.

D. Dena Shakti Scheme

This scheme is provided by Dena bank to those women entrepreneurs in the fields of agriculture, manufacturing, micro-credit, retail stores, or small enterprises; who are in need of financial assistance. The interest rate is also decreased by 0.25% along with the maximum loan amount being ₹ 20 lakh for retail trade; education and housing whereas ₹ 50,000 under the microcredit.

E. Udyogini Scheme

This scheme is offered by Punjab and Sind Bank so as to provide women entrepreneurs involved in Agriculture, retail and small business enterprises to get loans for business at flexible terms and concessional interest rates. The maximum amount of loan under this scheme for women between the age brackets of 18-45 years is ₹ 1 lakhs but your family income is also taken into consideration and is set at ₹ 45,000 per annum for SC/ST women.

F. Cent Kalyani Scheme

This scheme is offered by the Central Bank of India with the aim of supporting women in starting a new venture or expanding or modifying an existing enterprise. This loan can be availed by women who are involved in village and cottage industries, micro, small and medium enterprises, self-employed women, agriculture and allied activities, retail trade, and government-sponsored programs. This scheme requires no collateral security or guarantor and charges no processing fees. And the maximum amount that can be granted under the scheme is Rs. 100 lakhs.

G. Mahila Udyam Nidhi Scheme

This scheme is launched by Punjab National Bank and aims at supporting the women entrepreneurs involved in the small scale industries by granting them soft loans that can be repaid over a period of 10 years. Under this scheme there are different plans for beauty parlours, day care centres, purchase of auto rickshaws, two-wheelers, cars, etc. the maximum amount granted under this scheme is ₹ 10 lakhs and the interest depends upon the market rates.

H. Orient Mahila Vikas Yojana Scheme

This scheme is provided by Oriental Bank of Commerce to those women who hold a 51% share capital individually or jointly in a proprietary concern. No collateral security is required for loans of ₹ 10 lakhs up to ₹ 25 lakhs in case of small-scale industries and the period of repayment is 7 years. A concession on the interest rate of up to 2% is given.

5.3 WOMEN ENTREPRENEURS IN INDIA

Some of the women entrepreneurs who are successful in their areas are given below:

A. Indra Nooyi

Current position: CFO, Pepsico

Indra Nooyi, 56, is the current chairman and CFO of the second largest food and beverage business, PepsiCo. Born in Chennai, Indra did her Bachelor's in Science from Madras Christian College in 1974 and a Post Graduate Diploma in Management (MBA) from Indian Institute of Management, Calcutta in 1976. Beginning her career in India, Nooyi held product manager positions at Johnson & Johnson and textile firm Mettur Beardsell. Nooyi joined PepsiCo in 1994 and was named president and CFO in 2001. She has been conferred with prestigious Padma Bhushan for her business achievements and being an inspiration to India's corporate leadership.

B. Naina Lal Kidwai

Current position: Group General Manager & Country Head – HSBC, India

Naina Lal Kidwai, 55, is presently the Group General Manager and Country Head of HSBC India. Naina has a Bachelor's degree in Economics from Delhi University and an MBA from Harvard Business School. In fact, Kidwai was the first Indian woman to graduate from Harvard Business School. She started her career with ANZ Grindlays. Presently, she is also serving as a non-executive director on the board of Nestle SA. Kidwai is also global advisor at Harvard Business School. Indian government conferred Padma Shri award on Naina for her contributions in the field of Trade and Industry.

C. Kiran Mazumdar Shaw

Current position: CMD, Biocon

Kiran, 59, is the founder Chairman and Managing Director (CMD) of Biocon Limited. Born in Bangalore, Shaw completed her Bachelors in Zoology from Mount Carmel College, Bangalore University. She later did her post-graduation in Malting and Brewing from Ballarat College, Melbourne University. She worked as a trainee brewer in Carlton and United Breweries, Melbourne and as a trainee maltster at Barrett Brothers and Burston, Australia. She started Biocon in 1978 and spearheaded its evolution from an industrial enzymes manufacturing company to a fully integrated bio-pharmaceutical company. Today Biocon under Shaw's leadership has established itself as a leading player in biomedicine research with a focus on diabetes and oncology. Kiran is also a member of the board of governors of the prestigious Indian School of Business and Indian Institute of Technology Hyderabad. Kiran received the prestigious Padma Shri (1989) and the Padma Bhushan (2005) from the government of India.

D. Chanda Kochhar

Current position: MD & CEO – ICICI Bank

Chanda Kochhar, 51, is currently the MD & CEO of India's largest private bank ICICI Bank. Rajasthan born Chanda got Masters Degree in Management Studies from Jamnalal Bajaj Institute of Management Studies, Mumbai. She received the Wockhardt Gold Medal for Excellence in Management Studies as well as the J. N. Bose Gold Medal in Cost Accountancy. Chanda Kochhar is married to Deepak Kochhar, a wind energy entrepreneur and her Business schoolmate.

E. Indu Jain

Designation: Chairperson (former), Times Group

Indu Jain, 76, used to be the chairperson of India's largest and most powerful media house – The Times Group. A strong votary of women's rights and women entrepreneurship, Indu contributed immensely to the growth of Times group. Now, her two sons Samir and Vineet are running the company. Indu Jain is also founder President of the Ladies wing of FICCI (FLO). Indu is also the Chairperson of the Bharatiya Jnanpith Trust, which awards India's most prestigious and highest literary award, the Jnanpith award. She addressed the United Nations in 2000 at the Millennium World Peace Summit of Religious and Spiritual Leaders, a speech in which she stressed the need for oneness among faiths and went on to chair a special session of the conference.

F. Simone Tata

Current position: Chairperson (Former), Lakme Chairperson (Present), Trent Limited

French by birth and educated in Switzerland, Simone is wife of Naval Homey Jahangir Tata and step mother to Ratan Tata. She is better known as 'Cosmetic Czarina of India'. She has the distinction of changing a small subsidiary of Tata Oil Mills into the largest cosmetic brand in India – Lakme, that became synonymous with indigenous Indian cosmetics. In 1996 Tata sold off Lakmé to Hindustan Lever Limited (HLL), and created Trent from the money it made through the sale. Presently, Simone is the chairperson of Trent Limited.

5.4. CHALLENGES FACED BY WOMEN ENTREPRENEURS

When a woman sets out to start an entrepreneurial venture, she faces challenges that are different from those that men face. Some of the challenges faced by women entrepreneurs are as follows:

- A.** Women are expected to spend more time with their family members. They do not encourage women to travel extensively for exploiting business opportunities.
- B.** Family members do not encourage women entrepreneurs. They hesitate to invest money in the business venture initiated by women entrepreneurs. Bank and other Financial Institutions do not consider Middle Class Women Entrepreneurs as proper applicants for setting up their projects and they are hesitant to provide financial assistance to unmarried women or girls as they are unsure as to who will repay the loan after their marriage. This humiliates unmarried women and they generally leave the idea of setting up their ventures.
- C.** Women are generally denied of higher education, especially in rural areas and under developed countries. Women are not allowed to enrich their knowledge in technical and research areas to introduce new products.
- D.** Marriage and family life are given more importance than career and social life in Indian society.
- E.** The society is dominated by males. Many business men are not interested to have business relationship with women entrepreneurs. Male generally do not encourage women entrepreneurs.
- F.** Women generally have sympathy for others. They are very emotional. This nature should not allow them to get easily cheated in business.
- G.** Business involves risk. Women entrepreneurs get upset very easily when loss arises in business.
- H.** Women entrepreneurs are not generally aware of the subsidies and incentives available for them. Lack of knowledge may prevent them from availing the special schemes.
- I.** Women face lot of competition from men. Due to limited mobility they find difficult to compete with men.

6. SUGGESTIONS TO OVERCOME THE PROBLEMS OF WOMEN ENTREPRENEURS

Some of the suggestions to overcome the problems of women entrepreneurs are as follows:

- A.** Government and NGOs must provide assistance to entrepreneurs, both in financial and non financial areas.
- B.** Women entrepreneurs must be given training to operate and run a business successfully. Training has to be given to women who are still reluctant to take up the entrepreneurial task.
- C.** Women require assistance in selection of machinery and technology. Assistance must be provided to them in technical areas so that the business unit become successful.
- D.** Finance is one of the major problems faced by women entrepreneurs. Both family and government organizations should be liberal in providing financial assistance to them.
- E.** Due to limited mobility, women are unable to market their goods. Assistance must be provided to help them to market their goods successfully in the economic environment.
- F.** Family should support women entrepreneurs and encourage them to establish and run business successfully.

7. CONCLUSION

Gone are the days when women were considered no match for all powerful men in this world. The male-dominated world was always reluctant to even acknowledge the fact that women were as good as men on parameters of hard work, intelligence quotient (IQ) and leadership traits. The new generation women across the world have overcome all negative notions and have proved themselves beyond doubt in all spheres of life including the most intricate and cumbersome world of entrepreneurship. Yes, there is a section among women who believe in short-cuts but at the same time, there is no dearth of women who are confident, believe in themselves and have the enormous fire in their bellies to take on the best in the business and beat them at their own game. Their relentless zeal, incessant quench for success and willingness to walk the extra mile has broken all myths about their inborn limitations that were supposed to be major roadblocks on their success expressways. If women get more support from banks, government and financial institutions, no doubt women entrepreneurship attains the height of success.

8. REFERENCES

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