

Role of Commercial Banks in Sustainable Development of Women Entrepreneurs in India

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Abstract

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". A sense towards independent decision-making on their life and career is the motivational factor behind this urge.

The glass ceilings are shattered and women are found indulged in every line of business. The entry of women into business in India is traced out as an extension of their kitchen activities, mainly 3P's, Pickle, Powder and Pappad. But with the spread of education and passage of time women started shifting from 3P's to modern 3E's i.e., Energy, Electronics and Engineering. Skill, knowledge and adaptability in business are the main reasons for women to emerge into business ventures. The challenges and opportunities provided to the women of digital era are growing rapidly that the job seekers are turning into job creators.

Women entrepreneurship must be moulded properly with entrepreneurial traits and skills to meet the changes in trends, challenges global markets and also be competent enough to sustain and strive for excellence in the entrepreneurial arena. If every citizen works with such an attitude towards respecting the important position occupied by women in society and understanding their vital role in the modern business field too, then very soon we can pre-estimate our chances of out beating our own conservative and rigid thought process which is the biggest barrier in our country's development process.

Keywords:

Women Entrepreneurs, India, Commercial Banks, Development

Introduction

The women of 21st century do not want to limit their lives in the four walls of the house. They demand equal respect from their partners. However, Indian women have to go a long way to achieve equal rights and position because traditions are deep rooted in Indian society where the sociological set up has been a male dominated one. The Indian culture made them only subordinates and executors of the decisions made by other male members, in the basic family structure. While at least half the brainpower on earth belongs to women, women remain perhaps the world's most underutilized resource.

Despite all the social hurdles, India is brimming with the success stories of women. The transformation of social fabric of the Indian society, in terms of increased educational status of women and varied aspirations for better living, necessitated a change in the life style of Indian women. She has competed with man and successfully stood up with him in every walk of life and business is no exception for this. These women leaders are assertive, persuasive and willing to take risks. They managed to survive and succeed in this cut throat competition with their hard work, diligence and perseverance. To learn quickly from her abilities, her persuasiveness, open style of problem solving, willingness to take risks and chances, ability to motivate people, knowing how to win and lose gracefully are the strengths of the Indian women entrepreneurs.

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". A sense towards independent decision-making on their life and career is the motivational factor behind this urge.

Reasons for Women Becoming Entrepreneurs

The glass ceilings are shattered and women are found indulged in every line of business. The entry of women into business in India is traced out as an extension of their kitchen activities, mainly 3P's, Pickle, Powder and Pappad. But with the spread of education and passage of time women started shifting from 3P's to modern 3E's i.e., Energy, Electronics and Engineering. Skill, knowledge and adaptability in business are the main reasons for women to emerge into business ventures. The challenges and opportunities provided

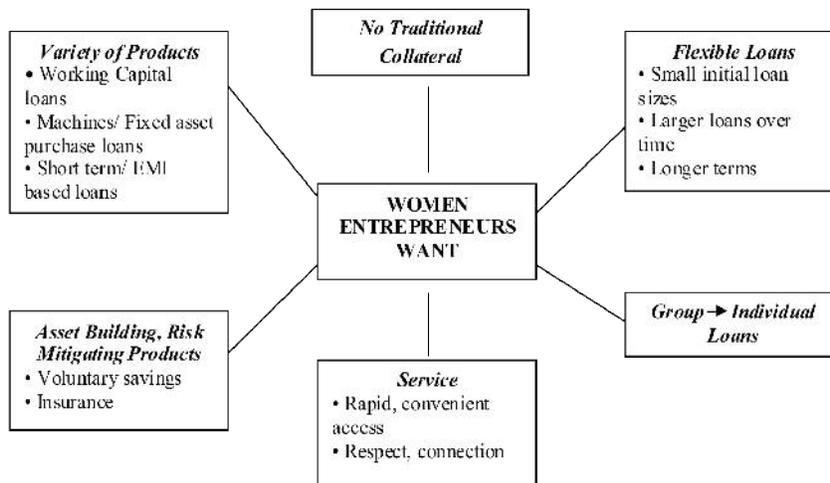
to the women of digital era are growing rapidly that the job seekers are turning into job creators. Many women start a business due to some traumatic event, such as divorce, discrimination due to pregnancy or the corporate glass ceiling, the health of a family member, or economic reasons such as a layoff. But a new talent pool of women entrepreneurs is forming today, as more women opt to leave corporate world to chart their own destinies. They are flourishing as designers, interior decorators, exporters, publishers, garment manufacturers and still exploring new avenues of economic participation.

Reasons for Slow Progress of Women Entrepreneurs in India

The problems and constraints experienced by women entrepreneurs have resulted in restricting the expansion of women entrepreneurship. The major barriers encountered by women entrepreneurs are:

- Many women take the training by attending the Entrepreneurial Development programme without an entrepreneurial bent of mind. Women who are imparted training by various institutes must be verified on account of aptitude through the tests, interviews, etc.
- High production cost of some business operations adversely affects the development of women entrepreneurs. The installations of new machineries during expansion of the productive capacity and like similar factors discourage the women entrepreneurs from venturing into new areas.
- Lack of awareness about the financial assistance in the form of incentives, loans, schemes etc. by the institutions in the financial sector. So the sincere efforts taken towards women entrepreneurs may not reach the entrepreneurs in rural and backward areas.

Banking Services that Respond to What Women Entrepreneurs Want



Role of Commercial Banks in Financial Sector that Work for Women Entrepreneurs

1. Offer/design the products based on their needs

- Low rate of interest based products
- Collateral free
- Easy processing system
- Diversify products
- Repayment system based on business nature

2. Adopt standards on performance in

- Client reach
- Efficiency, profitability
- Financial integration
- Impact

3. Provide appropriate support modalities—institutions that meet high standards need

- Policies, regulations and legal structures that fit women entrepreneurs
- Financial counseling and training
- Commercial linkages
- Business advisory services
- Dealing with legal barriers

Commercial Banks Roles in Financial Sector that Work for the Women Entrepreneurs

➤ Bank Finance Policy

- ✓ Suitable Interest rates

- ✓ Technological services providers
- ✓ Financial sector policies
- ✓ Central Bank policy
- ✓ Legal structures
- ✓ Performance indicators

➤ Women Entrepreneurs Skills

- ✓ Business Knowledge
- ✓ WE networks, associations
- ✓ Banking knowledge
- ✓ Market knowledge & networking
- ✓ Technological applications

➤ Product Offerings

- ✓ Small Credit facility
- ✓ Working Capital
- ✓ Loan for Machine purchase
- ✓ Loan with grace period

Commercial Banks & Sustainable Development of Women Entrepreneurs

Commercial banks have provided assistance to women entrepreneurs to a large extent. This has directly led to the:

- ❖ Increase in Income
- ❖ Growth of Assets
- ❖ Improved Standard of living
- ❖ Increase in Women's Decision-making Power
- ❖ Increase in Community Participation

Statistics of Women Entrepreneurs in India

STATES	NO.OF UNITS REGISTERED	NO.OF WOMEN ENTREPRENEURS	PERCENTAGE
TAMIL NADU	9618	2930	30.36
UTTAR PRADESH	7980	3180	39.84
KERALA	5487	2135	38.91
PUNJAB	4791	1618	33.77
MAHARASHTRA	4339	1394	32.12
GUJRAT	3872	1538	39.72
KARNATAKA	3822	1026	26.84
MADHYA PRADESH	2967	842	28.38
OTHER STATES & UTS	14576	4185	28.71
TOTAL	57452	18848	32.82

Steps Taken for Sustainable Development of Women Entrepreneurs:

- Increased attention is needed in measuring impact of bank finance for women entrepreneurs.
- Liberalized interest rates for women entrepreneurs, relying on competition and transparency to lower costs and rates.
- Savings and other asset building products require attention.
- Inclusive financial sector policies that incorporate measures to ensure responsive, solid services to the women entrepreneurs.

- An explicit, supportive government policy and strategy for women entrepreneurs, with objectives, key policies and support, roles.
- Utilize technology to cut costs and expand outreach.
- Build domestic financial markets for women entrepreneurs.
- Information and business services for women entrepreneurs.

Schemes Provided by The Government for Women Entrepreneurs

At present, the Government of India has over 27 schemes for women operated by different departments and ministries. Some of these are:

- ✓ Women's Development Corporations (WDCs)
- ✓ Marketing of Non-Farm Products of Rural Women (MAHIMA)
- ✓ Assistance to Rural Women in Non-Farm Development (ARWIND) schemes
- ✓ Working Women's Forum
- ✓ Indira Mahila Yojana
- ✓ Indira Mahila Kendra
- ✓ Mahila Samiti Yojana
- ✓ Mahila Vikas Nidhi

Suggestions for The Growth of Women Entrepreneurs:

Right efforts from all areas are required in the development of women entrepreneurs and their greater participation in the entrepreneurial activities. Entrepreneurship basically implies being in control of one's life and activities and women entrepreneurs need to be given confidence, independence, and mobility to come out of their paradoxes. The following measures are suggested to empower the women to seize various opportunities and face challenges in business.

- An Awareness programme should be conducted on a mass scale with the intention of creating awareness among women about the various areas to conduct business.
- Attempts should be there to enhance the standards of education of women in general as well making effective provisions for their training, practical experience and personality development programmes, to improve their over-all personality standards.
- Organize training programmes to develop professional competencies in managerial, leadership, marketing, financial, production process, profit planning, maintaining books of accounts and other skills. This will encourage women to undertake business.
- Vocational training to be extended to women community that enables them to understand the production process and production management.
- Skill development to be done in women's polytechnics and industrial training institutes. Skills are put to work in training-cum-production workshops.

- Educational institutes should tie up with various government and non-government agencies to assist in entrepreneurship development mainly to plan business projects.
- International, National, Local trade fairs, Industrial exhibitions, seminars and conferences should be organized to help women to facilitate interaction with other women entrepreneurs.
- Women in business should be offered soft loans & subsidies for encouraging them into industrial activities. The financial institutions should provide more working capital assistance both for small scale venture and large scale ventures.
- Making provision of micro credit system and enterprise credit system to the women entrepreneurs at local level.
- The weaker section could raise funds through various schemes and incentives provided by the government to develop entrepreneurs in the state. E.g. the Prime ministers Rozgar Yojana, The Khadi and Rural village industries scheme, etc.
- Attempts by various NGO's and government organizations to spread information about policies, plans and strategies on the development of women in the field of industry, trade and commerce. Women entrepreneurs should utilize the various schemes provided by the Government.
- To establish all India forums to discuss the problems, grievances, issues, and filing complaints against constraints or shortcomings towards the economic progress path of women entrepreneurs and giving suitable decisions in the favor of women entrepreneurs and taking strict stand against the policies or strategies that obstruct the path of economic development of such group of women entrepreneurs.

Thus by adopting the following aforesaid measures in letter and spirit the problems associated with women can be solved. Entrepreneurship is not a bed of roses to women. Women participation in many kinds of economic activities to complement to their family income, their participation in no way reduces their family duties. The task of women has become more tedious and full of challenges.

Conclusion

It can be said that today we are in a better position wherein women participation in the field of entrepreneurship is increasing at a considerable rate. Efforts are being taken at the economy as brought promise of equality of opportunity in all spheres to the Indian women and laws guaranteed equal rights of participation in political process and equal opportunities and rights in education and employment were enacted. But unfortunately, the government sponsored development activities have benefited only a small section of women i.e. the urban middle class women. Women sector occupies nearly 45% of the Indian population. At this juncture, effective steps are needed to provide entrepreneurial awareness, orientation and skill development programs to women. Resurgence of entrepreneurship is the need of the hour emphasizing on educating women strata of population, spreading awareness and consciousness amongst women to outshine in the enterprise field, making them realize their strengths, and important position in the society Women entrepreneurship must be moulded

properly with entrepreneurial traits and skills to meet the changes in trends, challenges global markets and also be competent enough to sustain and strive for excellence in the entrepreneurial arena. If every citizen works with such an attitude towards respecting the important position occupied by women in society and understanding their vital role in the modern business field too, then very soon we can pre-estimate our chances of out beating our own conservative and rigid thought process which is the biggest barrier in our country's development process.

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