

# Women Entrepreneurship as the Way of Economic Development: An Empirical Study of with Reference to South Indian States

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**ABSTRACT-** The role of girls entrepreneurs has changed over the years in the world. Participation and their importance are commendable in the country's economic growth and development. the planet Development Report, 2021 represents that ladies owned businesses show great potential source of future for economic growth and job creation. Therefore, many initiatives are started by United Nations to promote and motivate women entrepreneurship in developing and under developed countries such as India. India has also supported many ladies entrepreneurs by providing loans and advances, helping them to determine their business, making them self-sufficient by providing vocational skills, and creating many roles for other women in the respective areas. These opportunities are need-based in India, and lots of factors are driving these forces. this text studies these aspects in four parts; the first part deals with growth of women entrepreneurs in south India, the second part studies tapping this growth in financing women entrepreneurs which may be a major problem of failure in their businesses third deals with the role of self help groups (SHGs) in promoting finances and empowering them through capacity building programmes, and therefore the fourth part deals with future policies of the government providing conducive environment for their business.

**KEYWORDS-** Women Entrepreneurs, Financing, Self Help Groups, Government Policies.

## I. INTRODUCTION

Empowerment of girls has emerged as an important issue in recent times. The economic empowerment of girls is being regarded these days as a Sine-quo-non of progress for a country; hence, the difficulty of economic empowerment of women is of paramount importance to political thinkers, social scientists and reformers. The emergence of girls entrepreneurs and their contribution to the national economy is quite visible in India. the amount of women entrepreneurs has grown over a period of time, especially within the 1990s. Women entrepreneurs have to be lauded for their increased utilisation of modern technology, increased investments, finding a distinct segment in the export market, creating a sizeable employment for others, and setting the trend for other women entrepreneurs within the organised sector. While women entrepreneurs have demonstrated their potential,

the very fact remains that they are capable of contributing much more than what they already are. Women's entrepreneurship must be studied separately for two main reasons.

- The first reason is that ladies entrepreneurship has been recognised during the last decade as an important untapped source of economic growth.
- The second reason is that the subject of women in entrepreneurship has been largely neglected both, in society generally and in the social sciences.

The government of India has defined women entrepreneurs as an enterprise owned and controlled by a woman having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of employment generated in the enterprise to women. sort of a male entrepreneur a women entrepreneur has many functions. they ought to explore the prospects of starting new enterprises; undertake risks, introduction of latest innovations, coordination administration and control of business, and providing effective leadership altogether aspects business. this text Focuses the role of women entrepreneurs in the growth of the country's economy and the impact of banking institutions on their growth.

## II. LITERATURE REVIEW

The first part of the literature review showcases the growth of women entrepreneurs in India. it's estimated that women entrepreneurs presently comprise about 10 per cent of the total number of entrepreneurs in India, with the share growing every year. If the prevailing trends continue, it's likely that in another five years, women will comprise 20 per cent of the entrepreneurial force.

Second a part of the literature review focuses upon the problem of finances for women entrepreneurs which has led to several failures. 2012 shows that ladies often have fewer opportunities than men to gain access to credit for various reasons, including lack of collateral, unwillingness to simply accept household assets as collateral, and negative perceptions of female entrepreneurs by loan officers. A study by Das (2000) shows that quite 50 per cent of the women used their own funds or funds borrowed from their spouse or family to set up their business. Another such study done among women entrepreneurs in Coimbatore District, Tamil Nadu points out financing the enterprise as a major problem faced by the women

entrepreneurs (Mangai et al., 1992). Financial problem may be a major problem faced by all respondents. They face this problem at the time of starting, also as during the operations of their business enterprises, problem of getting loan and subsidy, insistence of collateral security and margin money requirement, time taken to process loan, tight repayment schedule, poor financial management and maintenance of accounts (Jayammal, 2012).

The third part of the literature review studies the impact and role of SHGs in the growth of women entrepreneurs in promoting finances for them, and empowering them through capacity building programmes. There are significant gender differences within the access to and use of credit, particularly formal credit. The role of micro-credit is to enhance the socio and economic development of women and improve the status of women in households and communities. The SHG's micro-credit mechanism makes the members to involve in other community development activities. Micro-credit is promoting the tiny scale business enterprises, and its major aim is to alleviate poverty by income generating activities. Studies reveal that variety of SHGs, like Abhinav Farmers Co-operative Society, Grassroots, Grameen Bank, Assam Tea Corporation, etc., are actively participating in empowering women by providing them support through credit and self supporting business activities. Studies also unveil the very fact that SHGs are primarily established for women by the women, and in states like Tamil Nadu and Kerala they have been tremendously successful. NABARD also launched a pilot program for women on SHGs in collaboration with commercial banks and regional rural banks.

The one-fourth of the literature review studies about the future policies of the government which provide a conducive environment for the business and livelihood of

women entrepreneurs. consistent with the final report of the fourth All India census of the micro, small and medium enterprises (MSME) within the unregistered sector shows that the rural areas had a larger share of unregistered MSME sector as compared to urban areas in respect of enterprises, employment, gross output, which the urban areas were dominated by the original value of plant and machinery and market value of fixed asset.

As acknowledged by Sanjukta Mishra in her study, the present policies of the government provide direct and indirect financial support, Yojna schemes and programmes, technological training and awards, and federations and associations.

The literature review conducted throws fall upon the growth of women entrepreneurs in the country, challenges faced by them, and therefore the financial constraints.

### III. DATA ANALYSIS AND INTERPRETATION

Women entrepreneurship is growing at a rapid rate within the world. The factors influencing these women across sectors globally are opportunities created by globalisation, integrated markets and jobs, support from the family, major support from the govt through various programmes started internationally and domestically for women entrepreneurs, improvement in their standards, and health and education. Table 1 shows the advantages of entrepreneurship and empowerment. This includes rise in income, egos, self-worth and social status in life. thanks to empowerment and motivation, women entrepreneurs create employment for several more women in the community and in a country. Then only a rustic will be considered inclusive.

Table 1: Benefits of Women Entrepreneurship-Empowerment

S. No	Benefits of Entrepreneurship	Empowerment
A	Increase in Economic Status	a) Increased Income b) Increased consumption c) Control over spending d) Confidence in sustaining trend
B	Self worth	a) Finds greater ability to lead b) To work in groups c) To resolve conflict d) Freedom to make business lifeand own decision in life e) Gets recognition in work
C	Self confidence	a) To be proactive b) To face critics c) To take risks (calculated risk) d) To influence others
D	Social status	a) Positive image b) More gender equality c) Sociability-net working d) Involvement in communityworks e) Involvement in politicalactivities f) Encouraging other women to entrepreneurship

Out of all factors, the main problem lies with the access to finance. Table 2 suggests critical factors for the longer

term growth of the firm with reference to fashion and apparel enterprises. Access to finance has registered 66.1

per cent and assistance with business planning has accounted for 18.6 per cent of the critical factors for future growth. This shows the importance and role of banks in financing women entrepreneurs to market and ensure growth of enterprises in the long run.

Table 2: Critical Factors for the Future Growth of the Firm

S.No	Category	Percentage (%)
A	Access to finance	66.1
B	Access to new markets	5.13
C	Assistance with business planning	18.6
D	Providing benefits to workers	5.1
E	Finding skilled workers	5.1

In India, women entrepreneurs identified majorly with micro, small and medium enterprises because many ladies start their enterprises with a very low net worth (low budget enterprise) and ensure low risk. Therefore, women participation as per revenue is a smaller amount due to the size of their enterprises, but create more volume and employment in various sectors (Annual report of MSME 2015–16) (Table 3). As per the fourth All India census of MSME, the amount of women enterprises in the registered sector are 4.45 lakh (13.72 per cent) and unregistered sector are 21.06 lakh (9.09 per cent) of the entire sectors. This figure clearly shows the amount of women enterprises that are under the unregistered sector. this means that many women enterprises would start up their enterprises if the government makes policies for entrepreneurs to realize and make their dreams come true.

unregistered sector where more benefits can be reaped by women entrepreneurs. they might get more opportunities and benefits if they come under the registered sector.

The MSME sector contributes to 44.7 million enterprises. It creates employment for quite 80million jobs, this being the second largest after agriculture. It contributes 45 per cent of the entire industrial manufacturing and above 40 per cent of India’s total exports. The microenterprise and micro-finance widely accepted development strategy for poverty reduction. This responsibility has been equally haunted by government, commercial banks and civil society. The role of SHGs in providing micro-finance has been enormous in last one decade. Self help groups with micro finance are effective in reducing poverty, empowerment women and creating self sufficiency in rural development.

Kerala and Tamil Nadu are such examples where women entrepreneurship and micro-enterprises have grown due to extensive support of SHGs. they need provided micro-finances, capacity building programmes by training women, and have nurtured them with their support . Today, the Federal Reserve Bank of India (RBI) also understands the role and importance of SHGs in financing, and has extended medium sized loans to women entrepreneurs in support with NABARD. the sweetness of women entrepreneurs is the motivation.

For other women to return up and participate with equal opportunities and maintain their enterprises. Across the planet maximum start ups have failed due to financial problems faced by women entrepreneurs, but today thanks to SHGs, trust has been built amongst the ladies

Table 3: Women Entrepreneurship in India – A Study

States	No of Units Registered	No. of Women Entrepreneurs	Percentage (%)
Tamil Nadu	9,618	2,930	30.36
Kerala	5,487	2,135	38.91
Karnataka	3,822	1,026	26.84
Uttar Pradesh	7,980	3,180	39.8
Punjab	4,791	1,618	33.77
Maharashtra	4,339	1,394	32.12
Gujarat	3,872	1,538	39.72
Madhya Pradesh	2,967	842	28.38
Other States and UTs	1,4576	4,185	28.71
Total	57,452	18,848	32.82

As the table reveals, women entrepreneurs are present altogether states of the country and self-help supplemented with mutual help can be a powerful vehicle for the women entrepreneurs in their socio-economic development. they supply support through

- Women Entrepreneurs Are given Credit Support savings And Other Services,
- Owner Transaction Cost and far Lower Risk Costs For The Banks,
- Participative Financial Services Management Are More Responsive And Efficient,
- Flexible And A Democratic System Of Working,

- Defaults Are Rare Mainly thanks to Group Pressure And,
- Loaning is completed Mainly on Trust With Least Documentation And Without Any Security,
- Periodic Meetings of Non Traditional Saving

IV. CONCLUSION

Women entrepreneurship is both about women’s position within the society and about the role of entrepreneurship in the same society. Women entrepreneurs face many obstacles, specifically in marketing their product (including family responsibilities), that need to be

overcome in order to give them access to the same opportunities as men. The entry of rural women in micro-enterprises must be encouraged and aggravated. Rural women can do wonders by their effectual and competent involvement in entrepreneurial activities. More over, formation and strengthening of rural women entrepreneur's network must be encouraged. The banking institutions must offer formalized credit facilities, and this sector must be included within the registered sector category by the government to promote entrepreneurship among rural women.

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