

# **A Study on Women Entrepreneurs with Regard to the Source of Invested Capital and Role of Government Schemes**

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## **ABSTRACT**

**This research paper deals with the topic entitled “A STUDY ON WOMEN ENTREPRENEURS WITH REGARD TO THE SOURCE OF INVESTED CAPITAL AND ROLE OF GOVERNMENT SCHEMES”. In Contemporary times, women are entering into businesses and trying to secure a life that makes them financially independent rather than dependent on men. So our study focuses on challenge that a women faces while thinking of getting into a business i.e. source of investment or how to raise finances to start with a business. So our study enshrines that women are initially not able to raise a higher amount yet they start their business with a meagre amount and then keep on capitalising the same. Also our study represents that governmental schemes have had a significant bearing on financial challenges of women entrepreneurs.**

**Keywords: Women entrepreneurs, Investment, Governmental Schemes.**

## **INTRODUCTION**

Women owned businesses are highly increasing in the economies of almost all countries in recent times. The hidden entrepreneurial potentials of women have gradually been changing with the growing sensitivity to the role and economic status in the society. Skill, knowledge and adaptability in business are the main reasons for women to emerge into business ventures.

"Women Entrepreneur' is a person who accepts challenging role to meet her personal needs and become economically independent. In India, although women constitute the majority of the total population, the entrepreneurial world is still a male dominated one. Women in advanced nations are recognized and are more prominent in the business world<sup>1</sup>.

When we speak about the term Women Entrepreneurship we mean an act of business ownership and business creation that empowers women economically, increases their economic strength as well as position in society.

The Government of India has defined Women Entrepreneurs based on women a participation in equity and employment of business entrepreneurs. Accordingly, a woman enterprise is defined 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". The clause of giving at least 51 per cent of employment generated in the enterprise to women was dropped in 1891.

Women in business are a recent phenomenon in India. By and large they had confined themselves to petty business and tiny cottage industries. Women entrepreneurs engaged in business due to push and pull factors, which encourage women to have an independent occupation and stands on their own 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 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.

For becoming a successful entrepreneur, women should explore the prospects of starting new enterprises, undertaking risks, introducing new innovations, coordinating administration, controlling business and providing effective leadership in all aspects of business. "Today, women entrepreneurs represent a group of women who have broken away from the beaten track and are exploring new avenues of economic participation. Women's entrepreneurship is the process where women

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<sup>1</sup> Entrepreneurship Development-By S.S Khanka. S. Chand & Company Limited. New Delhi, p. 34

take the lead and organize a business or industry and provide employment to others. Women endowed with high drive, creativity, innovations and desires for achievements take up the challenging role of entrepreneurship."

Across the world, the number of women starting their own business is on the increase. In the West, women are increasingly turning to entrepreneurship as a way of coping with the glass ceiling that seems to prevent them from reaching top managerial positions in organizations. They find that entrepreneurship provides them with greater satisfaction and flexibility. "Women with higher education view entrepreneurship as a challenge, while women with no education background find entrepreneurship merely a means for earning money."<sup>2</sup>

The emergence of women entrepreneurs and their contribution to the national economy is quite visible in India. The number of women entrepreneurs has grown over a period of time, especially in the 1990s. Women entrepreneurs need to be lauded for their increased utilization of modern technology, increased investments, finding a niche in the export market, creating a sizeable employment for others and setting the trend for other women entrepreneurs in the organized sector.

It is estimated that women entrepreneurs presently comprise about 10 per cent of total number of entrepreneurs in India, with the per cent growing every year and if the prevailing trends continue it is likely that in another five years women will comprise 20 per cent of entrepreneurial force. With the corporate sector eager to associate and work with women owned businesses and a host of banks and nongovernmental organizations keen to help them get going, there has rarely been a better time for women, with zeal and creativity, to start their own business.

**In Indian Society, Women who wish to move out of four wall and start a business face various challenges; these are as follows:-**

- **Lack of Female Mentors:** With fewer female business founders, the pool of **women who can mentor and advise fellow entrepreneurs** is consequently smaller.
- **Biological Aspects Assessing Cerebral Capacities:** One long-standing perception has been that **men are wired to be more logical (hence more fit for risky ventures)** while women are more likely to be empathetic (hence, **fit for only a certain set of professions**).
- **Patriarchal Construct and Familial Constraints:** Even though a lot of women have the potential as well as ambition to make it to the top in arenas that are usually **dictated by a stark male presence**, they are often denied their dreams by the patriarchal construct of society.
- **Raising Finance & Management:** Another lamentable difficulty is in raising finance and its management, because in most cases, women are **not considered credit-worthy. Venture capitalists, angel investors** and bankers **do not usually trust them to repay their loans**. Even if they get finance, women from a middle-class background find few avenues to turn to for its management, though they have been doing it so well on their own for years without knowing it.

This challenge related to manage capital or raise finance is the one which our study throws light upon. Also, our study tends to analyse to what extent the governmental schemes are playing role. As we witness- The Government of India and many state governments are running schemes to improve financial inclusivity for women. Pradhan Mantri Mudra Yojana is one such high-potential scheme for women because it offers collateral free loans. The Dena Shakti Scheme provides loans up to Rs. 20 lakh for women entrepreneurs in agriculture, manufacturing, micro-credit, retail stores, or small enterprises, etc. So, our study is intending to analyse the role of schemes in raising finances when it comes to women entrepreneurship.

## **OBJECTIVES OF THE RESEARCH**

**Following are the main objectives of the research:**

1. To study the Initial Investment in the Business of various women entrepreneurs characterised into various categories.
2. To Study the Source of Invested Capital of various women entrepreneurs characterised into various categories.
3. To study the role of Government Schemes in Promoting women entrepreneurship.

## **AREA OF THE STUDY**

- Area: The study restricted to Greater Gwalior in Madhya Pradesh.

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<sup>2</sup> Sanjay Tiwari, Anshuja Tiwari, Women Entrepreneurship and Economic Development- Publisher, Sarup and Sons, p. 98

**Method of Investigation**

In this research the survey method is used. The sample consists of 50 women entrepreneurs belonging to Gwalior district.

**Research Tools and Techniques**

Self-made Questionnaire for women entrepreneurs was constructed in order to analyze the three variables taken in the study namely Initial Investment in the Business and Source of Invested Capital of various women entrepreneurs and Governmental schemes beneficiaries.

**STATISTICS USED**

Percentile method

**Table 1 Initial Investment in the Business**

S. No.	Investment in the Business	Total no. of respondents	Percentage (%)
a)	Below 10,000	7	14
b)	10,001-20,000	13	26
c)	20,001-30,000	22	44
d)	More than 30000	8	16
	Total	50	100

The table 1 shows Initial Investment in the Business of various women entrepreneurs characterised into various categories viz, Below 10,000, 10,001-20,000, 20,001-30,000 and More than 30000 Hence, it is found that maximum number of women entrepreneurs 22 (44.00%) women entrepreneurs are invested 20,001-30,000 in the business and minimum number of women entrepreneurs 7 (14.00%) Below 10,000 invested in the business in the study.

**Table 2 Source Of Invested Capital**

S. No.	Source of Invested Capital	Total no. of respondents	Percentage (%)
a)	Own	05	10.00
b)	Borrowed	12	24.00
c)	Beneficiaries of Government Schemes	33	66.00
	Total	50	100.00

The table 2 shows Source of Invested Capital of various women entrepreneurs characterised into various categories viz, Own, Borrowed and Beneficiaries of Government Schemes. Hence, it is found that maximum number of women entrepreneurs 33 (66. 00%) women entrepreneurs’ source of invested capital is from Governmental schemes and minimum number of women entrepreneurs 05 (10.00%) invested on their own capital in the study.

**Table 3 Beneficiaries of Governmental Schemes**

S. No.	Governmental Schemes Beneficiaries	Total no. of respondents	Percentage (%)
a)	Highly Benefitted	09	27.27
b)	Averagely Benefitted	19	57.57
c)	Least Benefitted	05	15.16
	Total	33	100.00

The table 3 shows **Beneficiaries of Governmental Schemes** of various women entrepreneurs characterised into various categories viz, Highly Benefitted, Averagely Benefitted, Least Benefitted. Hence, it is found that maximum number of women entrepreneurs 57.57% women entrepreneurs’ have been averagely benefitted.

## **FINDINGS**

1. It is found that initial investment in maximum businesses is meagre i.e. 30000 with an economist point of view. But idea for a women to enter into business is itself a biggest investment in terms of confidence because it will help her to cope with various challenges in Indian Society. Most women have succeeded and have made it big with a small investment.
2. It is impressive to find that women are not only aware of Governmental schemes but also maximum have been benefitted when it come to source of investment. This bridges the gap between a needy women and governmental schemes prom ting the same.
3. Also it is found that maximum women are averagely benefitted governmental schemes in the sense that have been provided with a average loan to at least startup their business. Mudra Yojna Scheme, Annapurna Scheme, Bhartiya Mahila Bank Business Loan support women entrepreneurship,

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