

# A study on Women entrepreneurship in Karnataka: The present scenario

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**Abstract** – The covid-19 pandemic has honed the existing inequalities. It has exacerbated the challenges that women face in India. In this era, women have versatile outlooks and they have proven that their work is not limited to household but in every domain they wish to take a step into. Women are taking incredible steps in entrepreneurship. They are consistently making transformation in the industry despite of all the problems. This paper tries to study the present scenario of women entrepreneurs in Karnataka. The problems they face in carrying out their business and also throw light on different avenues available for women entrepreneurs in Karnataka.

**Key Words:** Women entrepreneurship, challenges, opportunities.

## 1. INTRODUCTION

Entrepreneurial qualities and skills are essential for economic and industrial development by means of creating self-employment and employment to others. In a country like India, which is facing the problems of illiteracy, poverty, under employment and employment etc, entrepreneurship plays a pivotal role for acceleration of industrialization, and eradication of poverty and exploitation of natural resources for the economic development of the country. So, contribution of both men and women is equally essential in economic activities for building a healthy nation. It is crucial to enable women, who comprise half the global population to participate effectively in the economic activities of their

country. But in India, women have to face many constraints in carrying out economic activities or undertaking any entrepreneurial work as they are facing various socio-economic and other problems as entrepreneurs and as they are not treated at par with men due to social and cultural traditions. But it is being observed in recent years that there has been increasing trend in number of women enterprises in India as the result of changing scenario of the present. Women are not just confined to management of household affairs, but women are interested in owning their own business to become independent and self-reliant. Moreover, the global commitment on achieving the sustainable development goals (SDGs) by 2030 focuses on bringing down poverty, inequality and injustice. SDG number 5 focuses to 'Achieve Gender Equality and Empower all Women and Girls' which has set different targets ensuring economic empowerment and the wellbeing of women. indeed it's important that the policy makers should emphasise the economic empowerment of women for achieving the SDGs. India ranks 70 among 77 nations in the Global Female Entrepreneurship Index (FEI) as estimated by the Global Entrepreneurship and Development Institute (FEI 2015 Samantroy and Tomar in Terjesen & Lloyd, 2015). Karnataka State ranks 6th among States and is a 'Front Runner' with a score of 66 in comparison

to Kerala (70), According to the NITI Aayog's SDG India Index Report 2019.

## Review of Literature

**GOYAL & PARKASH (2011)** evaluated the factors responsible for encouraging women to become entrepreneurs and the impact of assistance by the government on women's entrepreneurship through using both primary and secondary data. The study found that the government sponsored development activities have benefited only a small section of women i.e. the urban middle class women. The author suggests that highly educated, technically sound and professionally qualified women should be encouraged for managing their own business, unexplored talents of young women can be identified, trained and used for various types of industries to increase the productivity in the industrial sector.

**kumbhar (2012)** discussed the issues regarding women entrepreneurship in rural India by identifying the critical issues of women entrepreneurship in India. Findings of this study reveal that absence of definite agenda of life, absence of balance between family and career obligations of women, poor degree of financial freedom for women, absence of direct ownership of the property, the paradox of entrepreneurial skill & finance in economically rich and poor women, no awareness about capacities, low ability to bear risk, problems of work with male workers, negligence by financial institutions, lack of self-confidence, lack of professional education, mobility constraints and lack of interaction with successful entrepreneurs

were major problems of women entrepreneurship development in India. The author opined that there is need of continuous attempt to inspire, encourage, motivate and co-operate with women entrepreneurs, awareness programs should be conducted on a mass scale to create awareness among women about the various areas to conduct business.

**Gayathridevi (2014)** tried to identify and evaluate barriers of women entrepreneurs in Bangalore urban district who were from Association of Women Entrepreneurs in Karnataka (AWAKE) and Karnataka State Women Development Corporation (KSWDC) total 150 women entrepreneurs were examined through the interview. It was found that the ranking of barriers faced by women entrepreneurs order ranges from financial, marketing, general, production, working place facility and health barriers. The author concludes that AWAKE and KSWDC are promoting and encouraging women entrepreneurs from both rural and urban areas in all fields of life by providing skill development programs, guidance, counselling, and also provide latest information regarding production, marketing, financing etc.

**Venkatesha & Anilkumar (2015)** focused on the major threats for women entrepreneurs and evaluation of entrepreneurs development programmers associated by the District Industry Center (DIC) of Bellary district. Information was collected from 200 enterprises, through interview schedule, besides the field survey. The authors found that women entrepreneurs majorly not getting family and community support and also the respondents are facing the problem of lack of

knowledge of general management, skilled labour, and in getting required inputs for production. They suggest that financial requirements of women entrepreneurs should be fulfilled by providing Credit guarantee fund schemes. The authors conclude that policy-planners should look into this problem and develop better schemes, developmental programmes and opportunities to the women folk to enter into more entrepreneurial ventures.

### OBJECTIVES OF THE STUDY

1. To know the present scenario of women entrepreneurs in Karnataka
2. To list out the challenges faced by the women entrepreneurs in Karnataka
3. To identify the different avenues available for women entrepreneurs in Karnataka.

### RESEARCH METHODOLOGY

The present study is based on extensive study of Secondary data collected from various books, National & International Journals, published reports of Government of Karnataka, Census Surveys, SSI Reports, newspapers, publications from various websites which focused on various aspects of Women Entrepreneurship.

### CONCEPT OF WOMEN ENTREPRENEUR

According to the Government of India has defined a women entrepreneur enterprise as “An enterprise owned and controlled by a women having a minimum financial interest of 51% of the capital and giving at least 51% of the employment generated in the enterprise to women”. Women entrepreneurs can be defined as the women or a

group of women who initiate, organize and operate a business enterprise.

### PRESENT SCENARIO OF WOMEN ENTREPRENEURS IN KARNATAKA

Women constitute nearly half the population in Karnataka. According to the 2011 Census, women comprise 49.31% of the total state population the pattern being more or less same in the southern states of India. Out of every 1000 MSMEs in Karnataka, 250 are owned by women which is 31% more than the national average (190)[source: TOI]. This shows significant role played by women in Karnataka when compared to majority of states in the country which in turn reflects state government role in motivating and providing a comfortable platform to start the business. Karnataka State Women Development Corporation was established in 1987 under The Companies Act 1956. It aims at improving social and economic conditions of women belonging to the weaker section of the society. KSWDC provides interest free loan of Rs.1 lakhs to 2 lakhs Stree shakthi SHGs to start their own business and it also gives subsidies and conducts women training programmes to encourage women to start their own business. Other schemes adopted by Government of Karnataka to improve the status of women are: Karnataka Mahila Abhivrudhi Yojana, Bhagyalakshmi Scheme, Working Women’s hostels, Financial assistance to Women Law Graduates, Special cell for eradication of social evils, Implementation of Protection of women from domestic violence Act 2005, Legal literacy, so and so forth.

The state government has co-partnered with Idea spring, NASSCOM, and other private organisations to provide better infrastructure facilities at a low cost for start up to work. Chief minister on International women's day announced a few initiatives to promote and encourage working women and women entrepreneurs. He announced that women entrepreneurs in hospital, wellness and other services will be provided with loan facility upto Rs. 2 crore at a subsidized rate of 4% through women development board or Karnataka State Financial Corporation. In addition to that women entrepreneurs who are engaged in business of manufacturing pickles, roti, spices and other food products will get help in food safety, packaging, and branding and will be given access to online marketing and technical help. This shows that the state government is making huge efforts to encourage women to start up their own business. So the women community should make best use of the opportunities and facilities provided by the government and private organisations to uplift their status in the society.

## **THE CHALLENGES FACED BY THE WOMEN ENTREPRENEURS IN KARNATAKA**

**SOCIAL SUPPORT SYSTEM:** Many researchers have studied the attitude and support to women entrepreneurs across the nation and found that though some of the women received strong support from their social environment to build start-ups, some of the women in Karnataka are deprived of social support from the family and the society and have hesitation to enter the business field. Women

in India have got limited mobility. Though, women have got more freedom with regard to entrepreneurial activity, they are restricted by the family members if they move out after normal working hours.

**MARKETING ISSUES:** women face lot of challenges with regard to marketing of their products, the problems like competition from cheaper and substitute product, delayed payments and liberal credit terms. Women entrepreneurs lack proper knowledge and access to proper market, many choose to sell their product through the middle men.

**FINANCIAL ISSUES:** Finance is a critical resource for any business venture creation. It is very important that women entrepreneurs have adequate knowledge and information about the various financial institutions which are rendering financial incentives and many other help for the women entrepreneurs in the respective regions. Women are often denied credit by the financial institutions on the ground of lack of collateral security. The complex procedures of bank loans, the delay in obtaining the loans demotivate many women from venturing out.

**MANAGERIAL SKILLS:** It is normally believed that women lack managerial skills. But in fact women are much stronger in logic based skills though they are weaker in self-promotion activities. The increasing numbers of female students are performing excellently in the field of management education. Hence, it shows that women can obtain better managerial skills with proper training.

**OPERATIONAL ISSUES:** Women entrepreneurs in India confront many issues with related to operation of their business. They have to get the better of with different functional difficulties. Usually women faced problems in production process like, shortage of raw material, lack of technical skills, lack of utilities and infrastructure facility. And also it is normally said that women have low risk taking ability.

**FAMILY ISSUES AND DUAL RESPONSIBILITY:** The working women have to discharge dual responsibility, one at work and another as family as mother, as wife and also as a good home maker. They are bound to attend to domestic work, give time for their children's education, personal hobbies.

**INFLUENCE OF EXTERNAL ENVIRONMENT:** Many of the women enterprises have to face severe competition from organized industries. High cost of production hurdles in the way of development and expansion of women's enterprises, government assistance in the form of grant and subsidies to some extent enables them get over the difficult situations. But in the long run, it would be necessary to increase efficiency and expand productive capacity and reduce cost. They face the problems of labour, human resources, infrastructure, legal formalities, overload of work, lack of advanced technology.

This shows the low Competition level, freedom of expression and freedom of mobility. Due to stiff competition in the organizational set up to drive in a lot of money for market and lack of mobility of women, a business woman canvassing and

advertisements. They find difficult to capture the market. The interest of the family members is also a determinant in the realization of women's goals in the business. Lack of self-confidence and optimistic attitude, lack of awareness about the schemes and policies are also the reasons.

The government of Karnataka has been taking sincere efforts for the improvement of women entrepreneurs. Some of the schemes and policies may not reach the entrepreneurs in rural and backward areas due to their lack of awareness. Due to lack of confidence in Indian women for their strengths and Insufficient Training programs, the family members as well as the society are reluctant to support their entrepreneurial growth. To a certain extent, this situation is changing among the people of the society. Government assistance in the form of grant and subsidies to enables them to overcome difficult situations. Women's personal and family obligations are sometimes a great blockade for succeeding in business career. In Karnataka only few women are able to manage both home and their business efficiently, devoting enough time and energy in the entrepreneurial activities.

### **THE DIFFERENT AVENUES AVAILABLE FOR WOMEN ENTREPRENEURS IN KARNATAKA.**

The Karnataka State Women's Development Corporation was established in 1987 for the upliftment of vulnerable section of women socially and economically in the state. Udyogini scheme by Karnataka government is helping women to engage themselves in income generating activities and to make them self-employed during 2020-21, up to

November-2020 an amount of Rs.666.66 lakhs expenditure has been incurred for 604 beneficiaries. (Economic Survey of Karnataka 2020-21) It also intends to provide subsidy through the Corporation. For women belonging to SC/ST category maximum loan of Rs.3.00 lakh whose family income doesn't exceed Rs.2.00 lakh with subsidy of 50%(Rs.1.50 lakh). And For Women belonging to general and special category with the project cost of minimum Rs.1.00 lakh to maximum Rs.3.00 lakh with a subsidy of 30%(maximum subsidy is Rs.90,000/-)

Under Chethana scheme, Rs. 50,000/- (25,000 loan & 25,000 incentive) is being provided for all categories of women to take up income generating activities. During 2020-21 an amount of Rs.400.00 lakhs has been provided and it is programmed to cover 795 beneficiaries. Stree Shakthi Self Help Group provides that it is necessary for a woman for her economic development, to have access to and control over productive resources to ensure financial autonomy. Self Help Groups in Karnataka is a good medium to congregate women. It was launched in 2000-01 and is implemented throughout the State. Each group comprises of about 15 to 20 women members who belong to below the poverty line families, landless or agricultural laborers, and largely SC/ST women. At present there are 1.65 lakh self-help groups, comprising 27.24 lakh women members.

Women Training programs intending to develop entrepreneurial skills and aiming to improve the skills to women belonging to lower income group, widows, destitute, physically challenged and women belonging to SC/ST

categories is being implemented irrespective of their income levels. From 2017-18 to 2019-20 an amount of Rs. 781.00 lakhs expenditure has been incurred for 6369 beneficiaries. During the year 2020-21 an amount of Rs.100.00 lakh has been provided in the budget to cover 1000 beneficiaries for imparting skill development training. Marketing Assistance Scheme is formed to encourage women entrepreneurs, and under which women organisations exhibitions are organized at District and Taluk levels to sell their product which also encourages efficient and upcoming women entrepreneurs to take part. Micro Credit Scheme which was introduced during 2011-12 in order to facilitate the members of the Shree Shakthi Self Help Groups (SSSHG), who are willing to take up income generating activities provided an amount of Rs 1lakh at 6% interest rate. From 2015-16, an amount of Rs.2.00 lakh interest free loan is provided to each group. An interest free loan of Rs.1.00 lakh to 3.00 lakh for the self-help groups of SC's/STs and Rs.1.00 lakh to 2.00 lakhs for self-help group of other category is provided to based on the savings of the group. From 2017-18 to 2019-20 an amount of Rs. 1410.00 lakhs expenditure has been incurred for 707 beneficiaries.

KSFC (Karnataka State Financial Corporation) Interest subsidy scheme to women entrepreneurs is being implemented from 2015-16. Under the scheme 10% interest subsidy is being provided to the women entrepreneur who avail loan amount of Rs. 5 lakhs to Rs.200 lakhs to take up small scale and medium scale industries and service units. Samrudhi Scheme It is being implemented by the corporation from 2016-17 for the women street

vendors who are below poverty line (BPL) and in the age group of 18-60 years to make the rural and urban women street vendors free from exploitation in availing loan at exorbitant rate of interest and to solve the problem of women un-employment. Under Micro Credit Scheme (Prerana) the beneficiaries of semi-urban and urban areas are being assisted to start their own petty business activities.

Not only the schemes but the government has included modules on gender equality in school curriculum, skill development programs for girls, vocational training, skill up-gradation, and capacity building for women in e-commerce to build future women entrepreneurs. And from the 2021, the government is increasing the provision for women from 33 % to 50% under Chief Minister's Koushalya Karnataka Yojana skill training and placement, Skill Development, Entrepreneurship & Livelihood to identify gender-friendly courses. As a part of Entrepreneurship Development, Government of Karnataka has approved establishment of "DISHA Guidance Cell" in district Head Quarters under the sponsorship of Department of Skill Development, Entrepreneurship and Livelihood, Department of Industries and Commerce and UNDP to guide prospective entrepreneurs with successful Resource Persons.

## FINDINGS

It was found through various sources that women entrepreneurs' majorly not getting family and community support besides they face the problem of male domination in the society and in the business world. Lack of knowledge of general management and lack of skilled labor, labor absenteeism and labor turnover, huge competition from big enterprises are the other problems. heavy competition from big enterprises. The state government of Karnataka is trying to fulfill the financial requirements of women entrepreneurs by providing Credit guarantee fund schemes for micro and small enterprises.

## SUGGESTIONS:

The suggestions based on the research of various studies on women entrepreneurship in Karnataka focuses on following;

- Government should arrange marketing facility in each districts for the products and services of women owned businesses.
- Assistance is to be provided to women entrepreneurs regarding procurement of raw materials. And should provide facility to warehouse the goods produced by women owned businesses.
- Women entrepreneurs should be given training on professionalism and managerial development.
- Family members and the public should support and respect women entrepreneurs

## CONCLUSION

Despite all these hurdles and challenges, successful women entrepreneurs do exist. Women are able to perform well when they are given opportunities, direction and guidance. AWAKE and KSWDC are promoting and encouraging by assisting them with skill development programs, entrepreneurship development program, guidance, counseling etc. Women entrepreneurs in backward areas are need to be given special assistance and incentives from the government. In Karnataka, the business scenario is changing day by day due to various efforts taken by government the schemes made by state government to increase women entrepreneurs. Women entrepreneurs a part of the mainstream of national economy and they can contribute to the economic progress of the country.

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