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Government Schemes for Women Entrepreneurs in India: Empowering Women in Business

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Abstract

Introduction: Indian entrepreneurship has emerged as a role model for the new generation, inspiring innovation and success despite various constraints. Family businesses have played a crucial role in this transformation, and Micro, Small and Medium Enterprises form the backbone of India's industrial sector. Women entrepreneurs in India have been making remarkable strides, overcoming societal and economic challenges to attain leadership positions. Despite barriers such as balancing responsibilities, limited access to resources and financial constraints, women have demonstrated their capabilities across various sectors.

Methodology: This paper explores the key governmental programs aimed at empowering female entrepreneurs in India, the hurdles encountered by women in the business realm, and the comprehensive influence of these initiatives on their entrepreneurial trajectories. It reviews an extensive body of literature including Acero et al. (2024) on barriers to rural women's empowerment, Akuokwe et al. (2024) on government involvement, Emon and Nipa (2024) on Bangladesh's measures, Jain and Mathur (2024) on 104 studies of education and empowerment, Poonam et al. (2024) on global perspectives, Agarwala et al. (2022) on the Mudra Yojana, Mashapure et al. (2022, 2023) on Zimbabwe, Venugopalan et al. (2021) on Kudumbashree, Haupt and Ndimande (2019), Barba-Sánchez and Atienza-Sahuquillo (2012), Brinetto and

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Farr-Wharton (2007), the McKinsey Global Institute (2015) and Stephan et al. (2015). Ten government schemes are then examined in turn.

Results & Discussion: According to the National Sample Survey, women constitute approximately 14-15% of all entrepreneurs in India, substantially lower than men at nearly 85% of the total entrepreneurial workforce. Ten schemes are documented: Mahila Coir Yojana offering financial assistance up to ₹1 lakh; Stand Up India, launched in 2016, facilitating bank loans between ₹10 lakh and ₹1 crore with 25% of beneficiaries expected to be women; Pradhan Mantri Mudra Yojana providing loans up to ₹10 lakh under Shishu, Kishore and Tarun categories with no collateral below ₹1 lakh; the Women Entrepreneurship Platform of NITI Aayog; the National Mission for Empowerment of Women; Startup India with income tax exemption for the first three years; the Annapurna Scheme offering loans up to ₹50,000 over a three-year tenure; Rashtriya Mahila Kosh; DAY-NULM; and skill development schemes including PMKVY. Eleven challenges are identified, from limited access to finance and social and cultural barriers to legal and regulatory challenges and risk aversion.

Conclusion: The Indian government has made great progress in establishing an environment that is supportive of female entrepreneurs. Targeted programs and initiatives have made it possible for women to break through many of the socially imposed barriers and enter the business sector. However, more inclusive financial services, improved support networks, and tenacious attempts to overcome cultural barriers are still required in order to fully realize the potential of female entrepreneurs. Ultimately, India's overall development depends on women's economic empowerment via entrepreneurship, and the future of India's economy can be significantly shaped by women entrepreneurs with sustained government assistance.

Keywords: Women Entrepreneurs; Government Schemes; India; Stand Up India; Pradhan Mantri Mudra Yojana; Mahila Coir Yojana; Annapurna Scheme; Financial Inclusion; Skill Development; Women Empowerment.

1. Introduction

The socio-economic advancement of India has increasingly centered on women entrepreneurs. Despite confronting numerous challenges, including constrained access to capital, assets, and commercial opportunities, the Indian government has

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implemented various initiatives to foster and assist women in launching and growing their enterprises. This study explores the key governmental programs aimed at empowering female entrepreneurs in India, the hurdles encountered by women in the business realm, and the comprehensive influence of these initiatives on their entrepreneurial trajectories. The research concludes by proposing recommendations to boost the effectiveness of current programs and further stimulate women's engagement in entrepreneurship.

2. Women Entrepreneurship in India: A Context

Women in India have historically experienced marginalization in the business sector, with societal norms and traditional gender roles often impeding their entrepreneurial aspirations. However, with the increase in educational opportunities, financial inclusion programs, and policy support, female entrepreneurship is experiencing growth, albeit at a slower rate compared to male entrepreneurship.

According to a report by the National Sample Survey (NSS), women constitute approximately 14-15% of all entrepreneurs in India, a figure substantially lower than that of men, who comprise nearly 85% of the total entrepreneurial workforce. Nevertheless, women-led enterprises are making an increasingly significant contribution to the nation's GDP, particularly in sectors such as retail, manufacturing, and agriculture. To facilitate this growth, the Indian government has implemented numerous initiatives and programs designed to mitigate barriers and establish a supportive ecosystem for women entrepreneurs.

3. Women Entrepreneurs in India: A Literature Review

(Acero and others, 2024). Identifying restricted access to resources, jobs, and education as the main barriers to rural women's empowerment, it looks at socioeconomic and

sociocultural variables and suggests measures to advance gender equality and economic involvement.

(Akuokwe et al., 2024). According to the author, the need of government involvement in building an enabling climate for female entrepreneurs is highlighted even more. Collaboration between government agencies, financial institutions, and other stakeholders is vital for promoting women's access to technology and financial resources.

(Emon & Nipa, 2024) stated that Women Entrepreneur Development Associations, protected quotas, and microcredit programs are only a few of the measures the government of Bangladesh has put in place to address the issues encountered by female entrepreneurs. These initiatives seek to remove social barriers and provide access to financial resources in order to encourage gender-inclusive entrepreneurship.

(Jain & Mathur, 2024) is a comprehensive assessment of the literature that examines 104 studies on women's empowerment with an emphasis on the influence of education. In the end, it finds nine research that show a relationship between empowerment and education, demonstrating the importance of education even though effect sizes have been found to vary.

(Poonam et al., 2024) The study offers a thorough analysis of women's empowerment, tracing its historical roots, highlighting important obstacles like cultural norms and financial constraints, and talking about how global initiatives like the Sustainable Development Goals have affected the progress made toward gender equality.

(Poonam et al., 2024) highlights obstacles, regional differences, and successful policies and initiatives to attain gender equality and advance a more just and equitable society. It also provides a worldwide overview of women's empowerment, looking at its history, present situation, and possibilities for the future.

(Jain & Mathur, 2024). According to a systematic literature review and meta-analysis of 104 studies, nine of which had useable data, education has a considerable impact on women's empowerment. However, there is noted variation in effect sizes, and there is no statistically significant difference at a 95% confidence level.

(Agarwala et al., 2022). In India, the Mudra Yojana program offers loans without collateral to help women launch or grow their businesses, with reduced interest rates for female participants. It has been demonstrated that this financial assistance boosts incomes and employability, promotes female entrepreneurship, and gives women more financial, social, psychological, and political power.

(Mashapure et al., 2022; Mashapure et al., 2023). Inadequate government program support was identified as a key barrier to women's sustainable entrepreneurship in Zimbabwe. This emphasizes the necessity of more focused and efficient government actions.

(Mashapure et al., 2022). To boost women's entrepreneurship, appropriate entrepreneurial education and training, encouraging government programs, and network linkages are required.

(Venugopalan et al., 2021). Similarly, through capacity building and social inclusion initiatives, the “Kudumbashree” program in Kerala, India, shows how multi-actor participation, including government backing, can improve women's development.

(Haupt & Ndimande, 2019). Entrepreneurs who receive technical education are more likely to endure, prosper, and support regional and national economic growth.

(Barba-Sánchez & Atienza-Sahuquillo, 2012) posit that some entrepreneurs are driven to start their companies in order to contribute to their local communities by creating jobs or engaging in charitable endeavors.

(Brinetto & Farr-Wharton, 2007) Furthermore, government business development officers can help women entrepreneurs recognize opportunities, but they need to do a better job of fostering trust in official business networks. In conclusion, government programs are essential for the growth of women entrepreneurs, but their efficacy and implementation differ by location. Addressing these disparities and enhancing the influence of governmental programs on women's entrepreneurial success should be the main goals of future studies and policy actions.

McKinsey Global Institute (2015), women-owned businesses have a harder time getting financing than their male counterparts. This is a result of conventional banking methods that demand collateral, which is frequently out of reach for women.

Stephan et al., 2015; Williams, 2018. Motivating factors exist within family-owned businesses because individuals want to maintain or inherit the business from their family members while also following the examples set by their family role models.

4. Key Government Schemes for Women Entrepreneurs

In India, a number of government initiatives have been developed to support female entrepreneurs. Among other things, these programs provide mentorship, company incubation, skill development, and financial support. Here are some of the most well-known projects:

4.1 Mahila Coir Yojana

Launched by: Ministry of MSME.

Objective: This scheme promotes the production of coir products and provides financial assistance for women's self-employment in coir spinning and related activities. The aim is to create a self-sustaining livelihood for women, especially in coastal areas.

Key Features:

- Financial assistance up to ₹1 lakh for setting up coir-based businesses.

- Women are trained in coir spinning and given subsidies for machinery.
- Focus on rural and semi-rural women entrepreneurs.

4.2 Stand Up India Scheme

Launched by: Ministry of Finance in 2016.

Objective: The Stand Up India Scheme aims to facilitate bank loans of between ₹10 lakh and ₹1 crore to women entrepreneurs from Scheduled Castes (SCs), Scheduled Tribes (STs), and other backward communities. The scheme is designed to promote Greenfield enterprises in the manufacturing, services, and trading sectors.

Key Features:

- Loans between ₹10 lakh and ₹1 crore for new businesses in manufacturing, services or the trading sector.
- Focus on women, SCs, and STs.
- 25% of the total number of beneficiaries is expected to be women.
- Includes financial literacy programs and handholding support for women entrepreneurs.

4.3 Pradhan Mantri Mudra Yojana (PMMY)

Launched by: Ministry of Finance.

Objective: The PMMY is a flagship initiative by the Government of India to provide micro-financing to small entrepreneurs, especially women, at an affordable rate of interest. Women can avail of loans under the Mudra scheme for starting or expanding small businesses.

Key Features:

- Provides loans up to ₹10 lakh under three categories: Shishu (up to ₹50,000), Kishore (₹50,000 to ₹5 lakh), and Tarun (₹5 lakh to ₹10 lakh).
- No collateral requirement for loans up to ₹1 lakh.

- Special focus on women, underrepresented communities, and startups.

4.4 Women Entrepreneurship Platform (WEP)

Launched by: NITI Aayog.

Objective: The Women Entrepreneurship Platform (WEP) is a platform that connects women entrepreneurs to mentors, resources, and opportunities. WEP provides access to a wide range of services, including training, networking, and funding.

Key Features:

- Offers mentoring, funding support, and partnerships with other organizations and agencies.
- Provides a platform for women entrepreneurs to showcase their businesses and collaborate.
- Helps with skill-building and enhancing entrepreneurial capacities.

4.5 National Mission for Empowerment of Women (NMEW)

Launched by: Ministry of Women and Child Development.

Objective: The NMEW is a comprehensive program aimed at ensuring women's participation in all areas of development, including entrepreneurship. Under this mission, the government provides support for women's self-help groups, skill training programs, and access to financial resources.

Key Features:

- Promotes women's participation in economic and social development.
- Provides capacity-building and skill development programs for women entrepreneurs.
- Supports the formation and strengthening of women's SHGs for entrepreneurial activities.

4.6 Startup India Scheme

Launched by: Department for Promotion of Industry and Internal Trade (DPIIT).

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Objective: Startup India is a flagship initiative launched by the Government of India to promote innovation and entrepreneurship in India. Women entrepreneurs benefit from tax exemptions, regulatory relaxations, and access to venture capital under this scheme.

Key Features:

- Income tax exemption for the first 3 years for startups.
- Self-certification for labor and environmental laws.
- Access to funding through the Fund of Funds for Startups (FFS).
- Special focus on women entrepreneurs through various grants and accelerators.

4.7 Annapurna Scheme

Launched by: National Bank for Agriculture and Rural Development (NABARD).

Objective: The Annapurna Scheme plays a significant role in promoting women entrepreneurship in India, particularly in the food catering sector. By offering financial assistance, the scheme enables women to start their own businesses, providing them with opportunities for economic independence and self-sufficiency.

Key Features:

- The scheme offers loans up to ₹50,000 to women entrepreneurs for setting up food stalls, catering services, or small restaurants.
- The loan can be used for purchasing necessary equipment, utensils, kitchen setup, infrastructure for food preparation, and the operational costs involved in running a catering business or a food stall.
- The loan is usually given for tenure of 3 years, with an initial moratorium period, which allows the borrower some breathing space before starting to repay.

4.8 Rashtriya Mahila Kosh (RMK)

Launched by: Ministry of Women and Child Development.

Objective: To provide micro-financing support to women entrepreneurs who are engaged in income-generating activities.

Key Features:

- Provides financial assistance in the form of micro-credit to women.
- Targeted at women from low-income groups in rural and semi-urban areas.
- Aims to promote self-employment by facilitating credit access for women-led businesses.

4.9 Deendayal Antyodaya Yojana – National Urban Livelihoods Mission (DAY-NULM)

Launched by: Ministry of Housing and Urban Affairs.

Objective: To promote urban poverty alleviation by encouraging women entrepreneurship, particularly through self-help groups (SHGs).

Key Features:

- Financial support for women to start small businesses in urban areas.
- Focus on skill development, capacity-building, and facilitating self-employment.
- Promotes women's leadership in SHGs and assists in scaling up women-led enterprises.

4.10 Skill Development Schemes (PMKVY & Others)

Launched by: Ministry of Skill Development and Entrepreneurship.

Objective: To provide training and skill development to women entrepreneurs, enabling them to manage and expand businesses effectively.

Key Features:

- Pradhan Mantri Kaushal Vikas Yojana (PMKVY): Provides free skill training for women, particularly in sectors like textiles, manufacturing, and IT.

- Other sector-specific schemes provide women with skills related to entrepreneurship, product development, and business management.
- Facilitates job opportunities and self-employment by enhancing women's skills.

5. Challenges Faced by Women Entrepreneurs

1. **Limited Access to Finance:** Despite improvements in credit availability brought about by government programs like Stand Up India and the Mudra Yojana, social biases, collateral restrictions, and limited credit history still make it difficult for female entrepreneurs to obtain loans.
2. **Social and Cultural Barriers:** Women are frequently prevented from assuming leadership positions in company by traditional gender norms. For many women, the idea of becoming entrepreneurs is intimidating due to family responsibilities, cultural norms, and a lack of support in some areas.
3. **Work-Life Balance:** It can be tough to balance business duties, family and personal life. In many homes, women shoulder a disproportionate share of household and care-giving responsibilities.
4. **Lack of Networking and Mentoring Opportunities:** Women business owners frequently do not have access to important networks that could aid in their knowledge acquisition, market positioning, and financing.
5. **Skills Gaps:** Although educational opportunities have expanded, there is still a lack of the practical skills needed to manage profitable firms. Many female entrepreneurs struggle with marketing, scaling their businesses, and handling money.
6. **Unstructured Business Ecosystem:** A large number of female entrepreneurs work in unorganized industries with little access to market connections, government programs, and support services.

7. **Market Access and Discrimination:** The discrimination which women entrepreneurs face occurs during interactions with suppliers, customers and partners. The process of accessing male-dominated market sectors proves particularly difficult.
8. **Insufficient Representation:** The media along with top business positions present insufficient representation of women entrepreneurs. The low numbers of female business owners in public roles determine how others view women entrepreneurs and what type of chances they obtain.
9. **Legal and Regulatory Challenges:** The process of dealing with intricate legal obligations poses troubles for every business owner but female entrepreneurs face further difficulties with permits, licenses as well as tax laws.
10. **Access to Technology and Digital Competence:** A business needs access to modern technology alongside digital competence to reach success. Some female entrepreneurs lack proper training together with required business resources.
11. **Balancing Risk:** Women tend to fear risk to a higher degree compared to men which might limit their willingness to take significant ventures for growth purposes. Although female business owners face challenges they have achieved successful economic outcomes on a global scale. Increasing numbers of organizations together with regulatory officials acknowledge that business success requires active support for women in the marketplace.

6. Impact and Effectiveness of Government Schemes

There have been noticeable outcomes from the government's initiatives, particularly in rural areas where women have begun working for themselves and starting small enterprises. The following favorable results are evident:

- **Financial Inclusion:** Significantly more financial inclusion has been made possible by programs like PMMY and Stand Up India, which have given women access to funding for the launch of their enterprises.
- **Entrepreneurial Knowledge:** Initiatives such as WEP and Startup India have contributed to women's increased knowledge of entrepreneurship and established forums for them to go for guidance and counseling.
- **Social Empowerment:** Initiatives such as "Beti Bachao Beti Padhao" have also helped women become more conscious of their rights and opportunities, which has changed how society views women in the workplace.

However, challenges remain in terms of scaling these efforts and ensuring that women in more remote or disadvantaged areas are reached effectively.

7. Recommendations

The following suggestions are offered to further increase these schemes' efficacy:

1. **Improved Financial Literacy:** Although a large number of women qualify for government programs, their inability to understand financial concepts frequently makes it difficult for them to understand the loan and funding procedures. Financial education needs to be prioritized more, especially in rural regions.
2. **Better Access to Market Links:** Government initiatives ought to concentrate more on giving female business owners access to bigger domestic and foreign markets through export facilitation and partnerships.
3. **Improved Mentorship Programs:** Organizations that provide mentorship ought to grow in order to establish strong support systems for female entrepreneurs, especially in fields like product creation, supply chain management, and digital marketing.

4. **Overcoming Socio-Cultural Barriers:** Through media campaigns, community-based interventions, and awareness initiatives, governments must keep trying to alter public attitudes toward women's involvement in business.
5. **Tougher Monitoring and Evaluation:** To determine their impact and make sure that cash and resources are being used efficiently, government initiatives should be closely watched and reviewed.

8. Conclusion

The Indian government has made great progress in establishing an environment that is supportive of female entrepreneurs. Targeted programs and initiatives have made it possible for women to break through many of the socially imposed barriers and enter the business sector. However, more inclusive financial services, improved support networks, and tenacious attempts to overcome cultural barriers are still required in order to fully realize the potential of female entrepreneurs.

Ultimately, India's overall development depends on women's economic empowerment via entrepreneurship. The future of India's economy can be significantly shaped by women entrepreneurs with sustained government assistance.

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