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RESEARCH ARTICLE

ECONOMIC EMPOWERMENT OF WOMEN STARTUPSTHROUGH GOVERNMENT SCHEMES AND ASSISTANCE

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Abstract

The world of entrepreneurship has undergone a dramatic transition with the development of female-led start-ups. Governments and banks worldwide have recognized the potential of women entrepreneurs as key contributors to economic growth and are taking significant strides to empower them through financial lending initiatives. Therefore, the study examines the impact of such initiatives and assesses their efficacy using quantitative data analysis. The study has chosen to use the purposive sampling method. The findings of the study aim to contribute valuable insights for policymakers, development practitioners, and other stakeholders to devise more inclusive and effective policies that will help in nurturing a more inclusive and prosperous economy.

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Introduction

In recent years, female entrepreneurs have risen to the top. Women entrepreneurs are reinventing what it means to be a successful company owner and working to build a more inclusive and fair society in a range of fields, including technology, fashion, and education. According to data from the Indian Brand Equity Foundation (IBEF), over 18% of all start-ups in the ecosystem include at least one female founder or co-founder, and between 2019 and 2022, women-led start-ups raised about 17 percent of all investment agreements. Due to the increase of female entrepreneurs, the nation has seen phenomenal commercial and economic progress. This realization has spurred a greater interest in comprehending and encouraging women's business pursuits, with an emphasis on enabling women to follow their entrepreneurial aspirations.

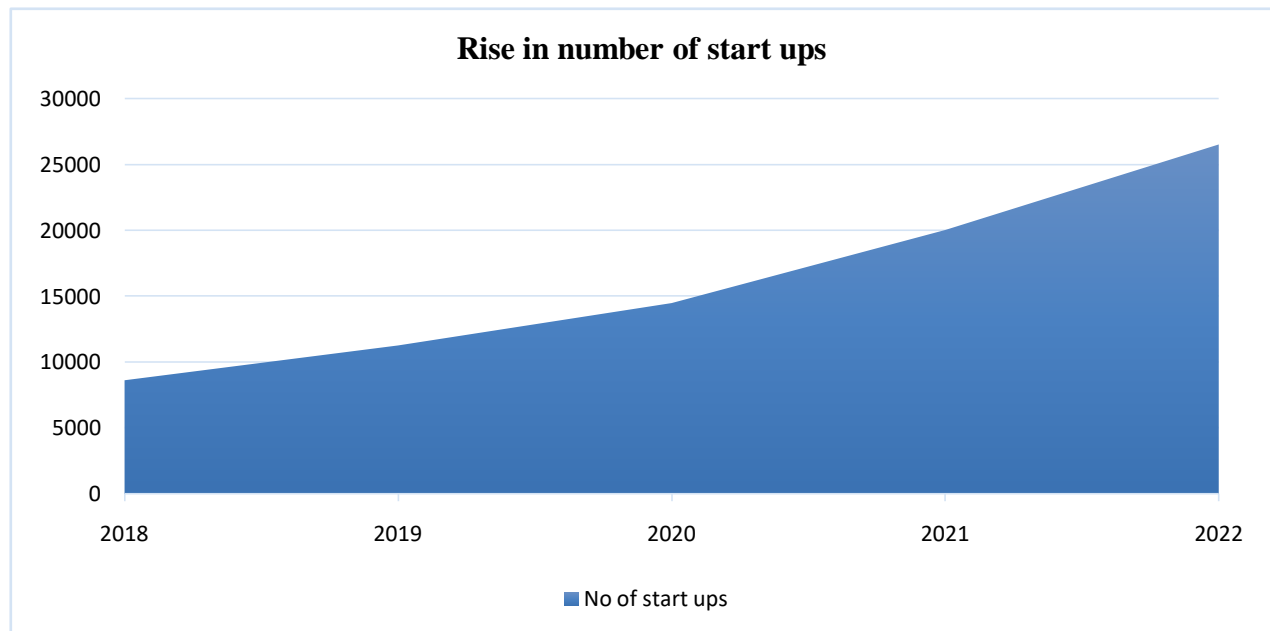
In the last five years, the DPIIT has registered 8,635 organisations as start-ups in the nation, followed by 11,279 in 2019, 14,498 in 2020, 20,046 in 2021, and 26,542 in 2022.

It is clear that the women-owned business enterprises nowadays are playing a significant role in society by creating job opportunities, driving demographic changes, and inspiring the next generation of women entrepreneurs. Therefore, to support and foster innovation, the Indian government launched the Startup India initiative, which aims to build and nurture start-ups. A key aspect of this initiative is the focus on strengthening women's entrepreneurship through various schemes and creating supportive networks and partnerships within the start-up ecosystem. Recognizing the economic value of start-ups in terms of solving real problems and generating employment, the government has taken multiple steps to promote sustainable growth among women entrepreneurs. These initiatives are intended to empower women-owned start-up ventures, contributing to overall economic development and prosperity in India. Hence, the study aims to evaluate the awareness and effectiveness of the government and bank

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schemes dedicated to promoting the growth and sustainability of women-owned start-ups, with the ultimate goal of making India a stronger and better economy.



Source: <https://www.ibef.org/news/number-of-recognised-startups>

Literature Review

(Eliganur & Ravi 2023), provided insight on governments effort in creating an enabling environment for startups in India through various startup India schemes and analysed the impact of government initiatives on the startup ecosystem. The data was collected using the secondary sources. The findings reveal that the scheme offer several benefits like tax exemption, cost reduction, access to funds, fast-track patent registration and easy business windup options. Another important scheme analysed in the study is the Startup India Seed Fund Scheme (SISFS), which provides financial assistance to early-stage startups for market entry, product trials, and prototype development. Therefore, the study concluded that the government has taken several efforts to help the entrepreneurs. But it is necessary to know the effectiveness and outcomes of these schemes, for the growth and success of startups in India.

(Font-Cot et al., 2023), aimed to understand the start-up ecosystem and the role of local government in digital transformation. The study adopts exploratory research. The findings of the study stated that the government has provided great support through the implementation of tax incentives, infrastructure, various training programs, innovation and access to finance for effective business through digitalization. Hence, the study concluded that the success of the startup ecosystem is not a static process, it is an evolving one and the government has played a crucial role in providing more supportive measures, therefore the study has suggested that policymakers should have an eye on regular monitoring of those supportive measures to ensure the continued success of their businesses.

(Ingale et al., 2022), explored the various initiatives taken by the government for start-up financing, to determine the level of funds received by entrepreneurs. It is seen that among the various initiatives taken by the government, the most utilised are Startup India, Mudra Yojna, SETU, E-Business portal and Royalty Tax. So, the study highlights the need for the government to take more initiatives in the country to create awareness about various other start-up financing schemes among the people and recommends focusing more on venture capital and seed finance to boost a greater number of start-ups in this competitive era.

(Jayanthi 2019), focused on entrepreneurship in India and its promotion under the 'Startup India' scheme. It highlighted its role in generating employment, contributing to national income, rural development, industrialization and technological development. The findings stated that there is a dominance of small enterprises in the entrepreneurship landscape in India, and the reason for their low performance is due to the lack of startup skills, networks, cultural support and technology absorption. Further, the study emphasized the initiatives taken by the

Government of India to nurture innovation and create opportunities for entrepreneurship across various sectors, engaging with academia, industry, investors and underserved sections of the society.

(Garg et al., 2018), examined the opportunities to start a business by encouraging entrepreneurship and found that the Indian government has come up with a wide array of startup policies and startup funds to encourage the launch and growth of startups in the country. But from the data analysed it is observed that among the many initiatives, only a few such as fund of funds and tax exemption have gained hype among the startup community. Most of the entrepreneurs are either not aware of these different schemes or do not have a clear idea of how to avail them. Therefore, the study concluded that there is a necessity to create an up-down and bottom-up approach to develop responsibility to local and regional authorities and require their active involvement to shape and empower the policies and programs.

(Jain 2018), examined the relationship between entrepreneurial training and startup initiatives among students. The study used both quantitative and qualitative research methods to gather the data. The findings of the study revealed that there is a positive relationship between entrepreneurial training and startup initiatives among the students. Hence the study highlights the need to integrate training courses in education which will create a greater impact in creating more successful young entrepreneurs and promoting the overall startup movement in India

Statement of the Problem

The governments and financial institutions have introduced various central government and bank schemes exclusively designed for start-up women entrepreneurs. Despite the efforts undertaken, there is not much understanding about the extent to which these programmes are successfully addressing the challenges faced by women entrepreneurs and promoting their growth and success. It remains unclear whether women are adequately informed about the existence and benefits of these initiatives. Without sufficient awareness, deserving women entrepreneurs may miss out on the support and opportunities that these schemes offer, thereby hindering their success. Also, the problem pertains to the impact and effectiveness of the central government and bank-owned schemes. While these initiatives aim to empower women entrepreneurs, it is crucial to evaluate whether they are producing tangible results. Therefore, understanding the actual outcomes of these initiatives is vital to determine whether they are meeting their envisioned goals and creating an optimistic impact on the entrepreneurial landscape.

Research Questions

1. What is the level of awareness among start-up women entrepreneurs regarding the central government and bank schemes designed to support them?
2. To what extent are women entrepreneurs utilizing these initiatives to access financial support, training, mentorship, and other forms of assistance?
3. What is the impact of these schemes on the growth, success, and sustainability of women-led businesses?
4. How can existing schemes be improved or new measures be introduced to better support and empower women entrepreneurs in their entrepreneurial journey?

Objectives of the study

1. To assess the awareness and utilization of central government and bank schemes exclusively designed for start-up women entrepreneurs among the target population.
2. To analyse the impact of central government and bank-owned schemes for promoting the growth and success of women-led businesses.

Significance of the study

This research paper lies in its potential to contribute to gender equality and women's empowerment in the entrepreneurial ecosystem. By assessing the awareness and utilization of central government and bank schemes, the research will identify gaps and barriers that hinder women entrepreneurs from accessing financial support. Policymakers and stakeholders can utilize the findings to refine existing schemes or develop new initiatives that better cater to the needs of women entrepreneurs. Understanding the impact and effectiveness of these schemes will help in directing resources towards initiatives that yield tangible results, ultimately fostering the growth and success of women-led businesses. Additionally, the study's insights will add to the current body of knowledge on women's entrepreneurship and inform future research and advocacy efforts aimed at creating a more inclusive and supportive entrepreneurial environment for women.

Research Methodology

Area of the study

Coimbatore City is chosen as the area for the study.

Data Collection Method

The data was gathered utilising both primary and secondary sources.

The interview method was used to gather the primary data for the study and the secondary data was gathered from journals and websites

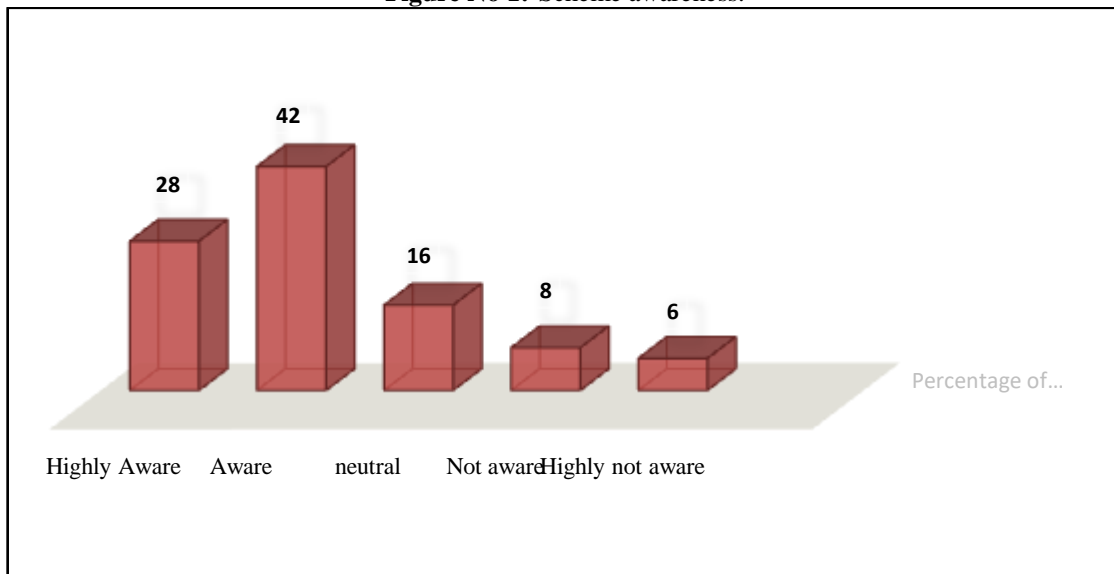
Sampling Technique and Sample Size

Undernon-probability sampling technique, the study adopts purposive sampling methodand 50 women entrepreneurs of start-up businesses were selected as the respondents for the study.

Analysis And Findings

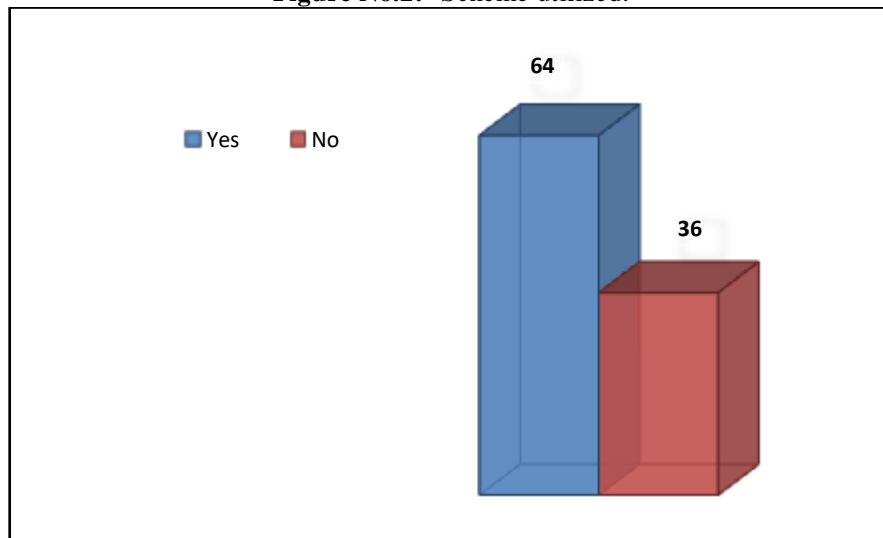
Scheme Awareness and Utilisation

Figure No 1:-Scheme awareness.



The above Figure No. 1 states most (42%) of the respondents are aware of the schemes initiated.

Figure No.2:- Scheme utilized.



The above Figure No. 2 states majority (64%) of the respondents have utilised the schemes.

Correlation Analysis:

Ho: There exists a relationship between the Location of the Enterprise and Awareness of Schemes

Location of the Enterprise		Location of the Enterprise	Scheme Awareness
Location of the Enterprise	Pearson Correlation Sig. (2-tailed)	1	.014 .922
Scheme Awareness	Pearson Correlation Sig. (2-tailed)	.014 .922	1

From the correlation table, value $r=0.014$, so it is clear that there exists a positive relationship between the location of the enterprise and scheme awareness among women entrepreneurs.

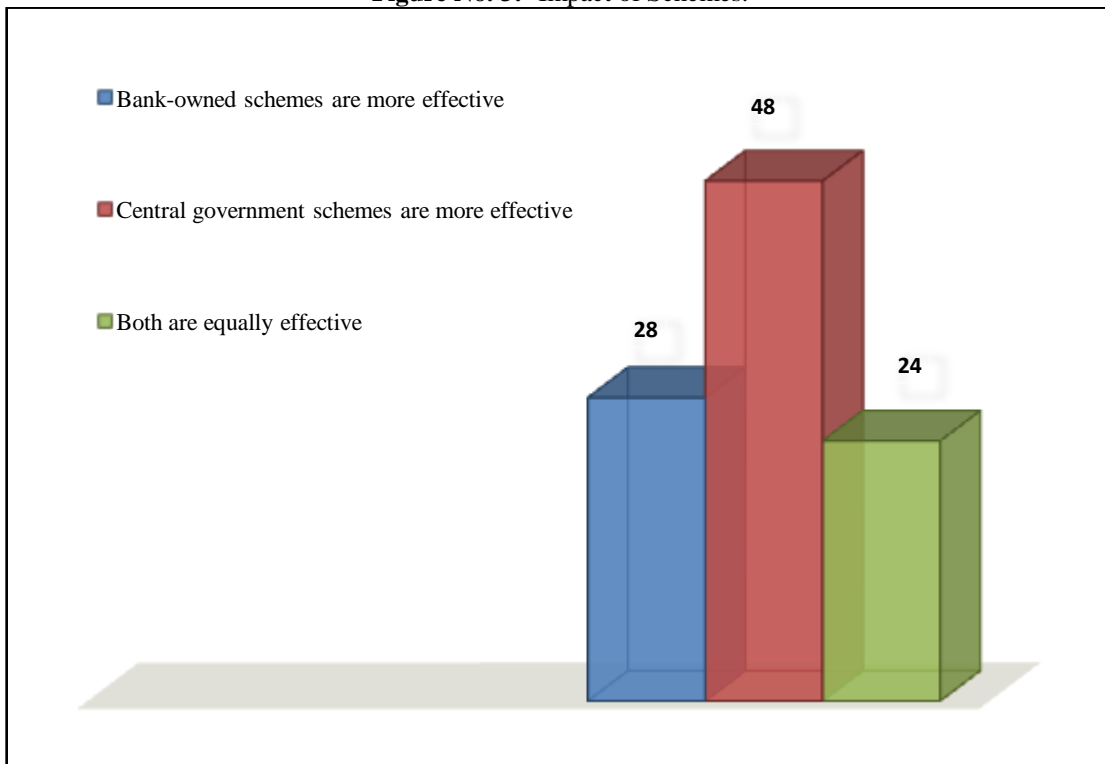
Ho: There exists a relationship between the Educational Qualification and Awareness of Schemes

Educational Qualification		Educational Qualification	Scheme Awareness
Educational Qualification	Pearson Correlation Sig. (2-tailed)	1	.172 .237
Scheme awareness	Pearson Correlation Sig. (2-tailed)	.173 .237	1

From the correlation table, value $r=0.172$, so it is clear that there exists a positive relationship between educational qualification and scheme awareness among women entrepreneurs.

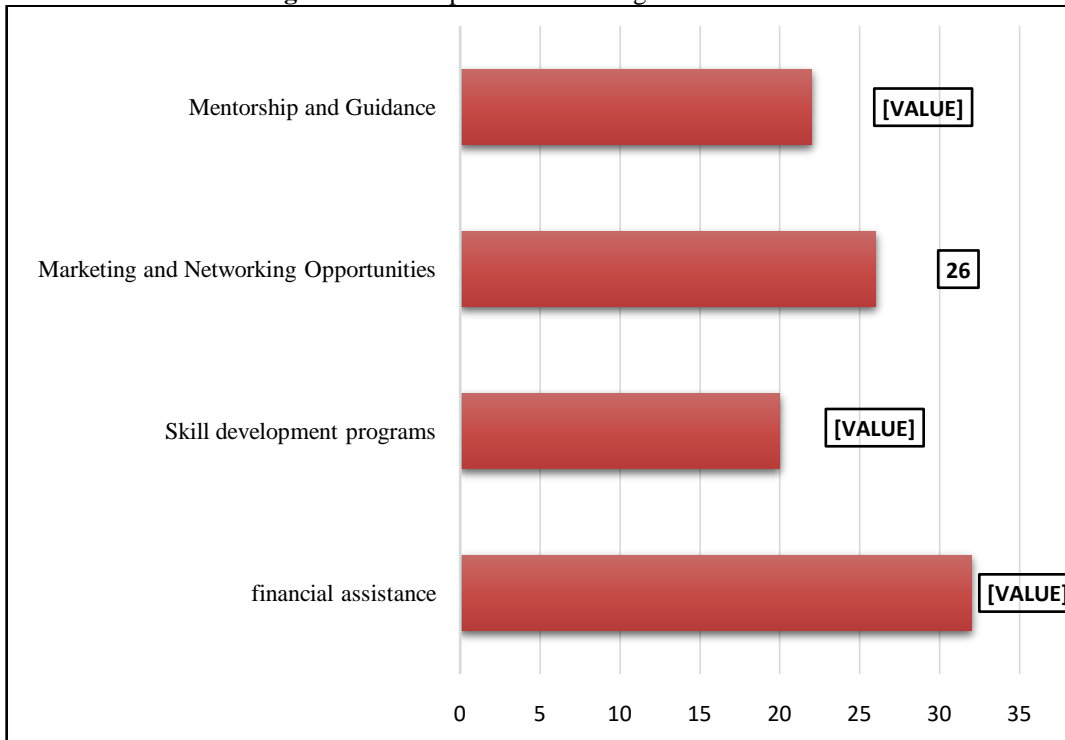
Impact of Schemes and its Effectiveness for Growth And Success

Figure No. 3:- Impact of Schemes.



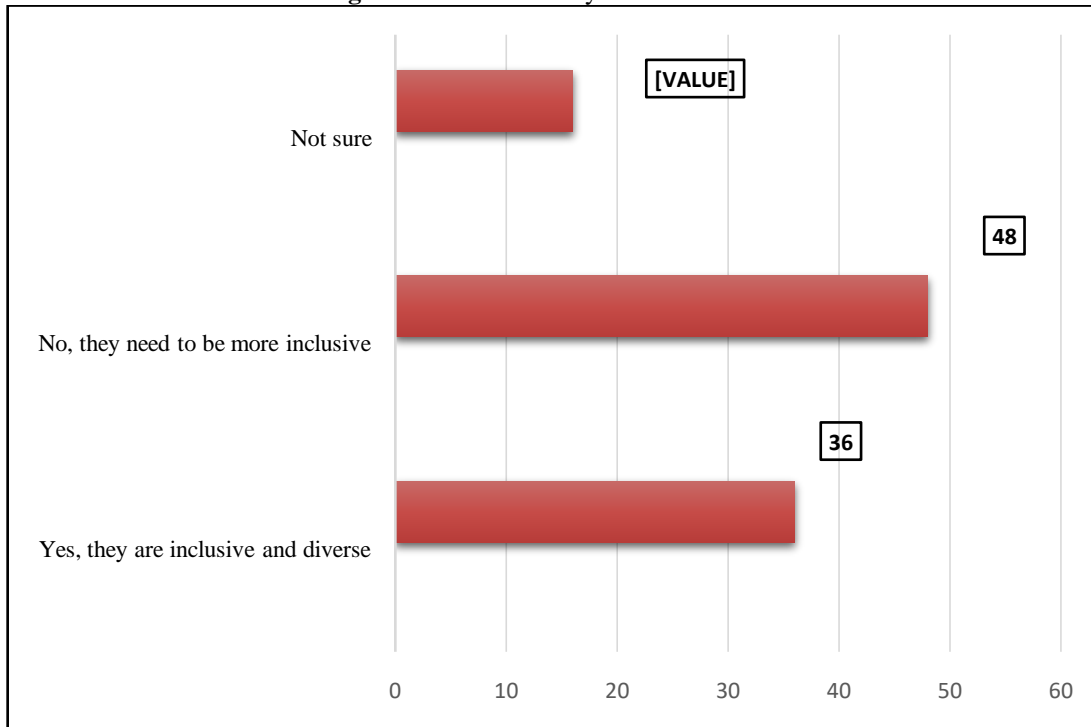
From figure No.3 it is exhibited that central government schemes are more effective when compared to bank schemes.

Figure No.4:- Aspects Contributing to Effectiveness



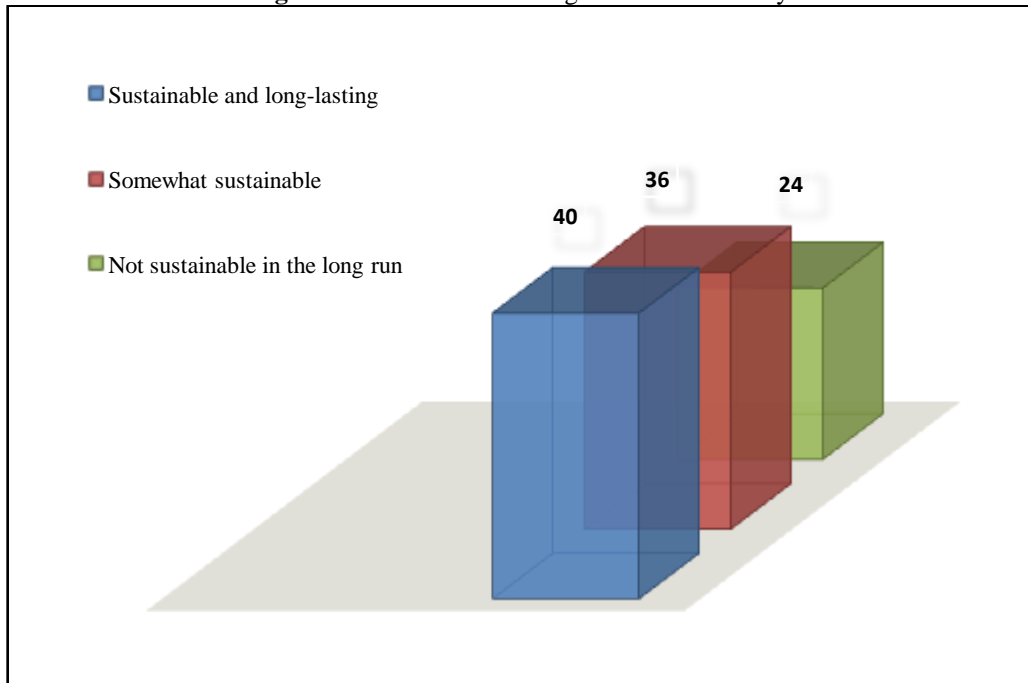
From figure No. 4 it is exhibited that the most contributing aspect for the effectiveness of the scheme is financial assistance.

Figure No. 5:- Inclusivity for diverse needs



The above figure No.5 depicts that there is a need for more inclusivity of schemes in order to benefit more entrepreneurs.

Figure No. 6:-Perceived Long-term Sustainability.



The above figure No.6 depicts that most of the respondents perceive that the initiatives are sustainable and long-lasting.

One-Way ANOVA

Ho: There is no significant difference between the impact of schemes and business sustainability.

		Sum of Squares	Mean Square	F	P	Sig
Impact of schemes	Between Groups	3.200	1.067	1.797	.161	NS
	Within Groups	27.300	.593			
	Total	30.500				
Business sustainability	Between Groups	.203	.068	.146	.932	NS
	Within Groups	21.317	.463			
	Total	21.520				

The above data clearly shows that there is no significant difference between business sustainability and the impact of schemes on women entrepreneurs.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.567
Bartlett's Test of Sphericity	Approx. Chi-Square	13.183
	Df	6
	Sig.	.040

It is clear from the table that the KMO measure is 0.567 is greater than 0.5 and hence acceptable for a satisfactory factor analysis. Bartlett's test of sphericity is higher than 0.01, hence the null hypothesis is accepted. This means the correlation matrix is an identity matrix.

Suggestions

To further empower start-up women entrepreneurs through financial lending, it is crucial for governments and banks to focus on the following areas:

1. **Targeted Outreach and Awareness:** Conduct targeted outreach and awareness campaigns to reach aspiring women entrepreneurs, especially in rural areas and inform them about the available financial support and resources.

2. **Tailored Financial Products:** Develop financial products specifically designed to meet the unique needs and challenges faced by women entrepreneurs, including flexible repayment terms and lower interest rates.
3. **Financial Literacy Programs:** Invest in educational programs that promote financial literacy and business management skills among women entrepreneurs to enhance their capacity to manage finances effectively.
4. **Streamlined Application Processes:** Simplify and digitize the application processes for loans and funding to make them more accessible and efficient for women entrepreneurs.
5. **Collaborative Ecosystems:** Foster collaboration between governments, banks, non-profit organizations, and private sector stakeholders to create a supportive ecosystem that addresses the various aspects of women's entrepreneurship.
6. **Incentivize Private Sector Participation:** Encourage private sector organizations to actively invest in women-led businesses and start-ups through partnerships and mentorship programs.

Future Direction

Looking ahead, the empowerment of women entrepreneurs through financial lending can be advanced through the following future directions:

1. **Digital Financial Inclusion:** Leverage advancements in financial technology to provide digital banking and payment solutions that enable easier access to financial services for women entrepreneurs, especially in remote or underserved areas.
2. **Impact Investment:** Promote the concept of impact investment, encouraging investors to prioritize funding for businesses with social and gender-inclusive objectives, including women-led start-ups.
3. **Measuring and Reporting Impact:** Implement comprehensive impact measurement frameworks to assess the effectiveness of financial lending initiatives in empowering women entrepreneurs, and use this data to refine and improve future programs.
4. **Global Collaboration:** Facilitate international cooperation and knowledge-sharing among countries to learn from successful models and implement best practices in supporting women entrepreneurs.
5. **Diversity in Decision-making:** Encourage gender diversity in decision-making roles within financial institutions to ensure a more inclusive and equitable approach to funding decisions.

Conclusion

Women's economic engagement and inclusive growth have been greatly aided by government and bank initiatives to support female start-up businesses through financial assistance. These programmes provide women business owners with access to funding, individualised assistance, and mentorship, all of which have proven essential in reducing the gender gap in entrepreneurship and maximizing the potential of female leaders in the corporate sector. However, despite the positive outcomes, there is still much work ahead. Focusing on process efficiency, creating targeted financial solutions, and putting financial literacy initiatives in place is crucial for ensuring the ongoing effectiveness and impact of these initiatives. In this way, female business owners might be more prepared to confront obstacles and succeed in their endeavours. A future where women entrepreneurs are acknowledged as significant contributors to economic development, creativity, and constructive social change will ultimately result from prioritising diversity and inclusion. In addition to the financial gains, empowering women through financial lending is a critical step in building a more equitable and successful society.

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