

“Challenges faced by Women Entrepreneurs in Punjab - A Critical Analysis of the Stand-Up India Program”

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Abstract

The government and central bank of our nation have always placed a high priority on the research of financial inclusion, but in light of the effects of the nation’s current recession-like conditions, this priority has increased. The country finds itself in dire need of a meticulously interconnected monetary structure. This intricate system must not only serve as a bulwark against economic downturns but also ensure the seamless functioning of the financial realm, hinging upon the enthusiastic involvement of all sectors of the economy. The Stand-up India program was introduced by the Indian government to help women and ST/ SC businesses attain the goal of financial inclusion. It is crucial that the government fulfil its obligation to guarantee that female entrepreneurs have access to a supportive environment. It should be the government’s main area of concentration for this program in order to make it really advantageous for female entrepreneurs. This paper aims to analyse the Stand-Up India program through a gender lens. The primary objective is to thoroughly assess the benefits that female entrepreneurs can derive from the program and investigate its impact on the progress of women beneficiaries in Punjab.

Keywords: *Women Entrepreneurs, Punjab, Gender Bias, Financial Resources, Empowerment, Policy Interventions*

Introduction

In the Indian context, the vast majority of women have traditionally found themselves confined to household or agricultural duties, often without receiving due recognition for their efforts, and rarely participating in any commercial ventures. However, entrepreneurship holds immense potential as a critical driver of economic development, yielding benefits such as job creation, innovation, and overall societal well-being. Unfortunately, throughout history, women have been subject to exploitation at the hands of men, leading to their seclusion in distant corners of the country, disconnected from mainstream society. While there are some ongoing attempts to address the socio-economic plight of women, much more remains to be accomplished. Women entrepreneurs, whether individuals or groups, represent a force of change a catalyst for progress that can usher in positive transformations in their respective undertakings.¹ Women who start their own businesses make the nation more prosperous overall and raise family wealth specifically. The World Bank asserts that investing more in

¹ Kumar. (2007). *Women entrepreneurship in India*. National Library of Australia. Retrieved July 20, 2023, from <https://catalogue.nla.gov.au/Record/4231280>

women-owned firms than in those owned by males leads to higher societal development. Women's entrepreneurship gives them the power to eliminate economic dependency on males and gender inequality.² Based on the Sixth Economic Census carried out in 2014, it was found that approximately 14% of Indian women are proprietors or managers of businesses. Furthermore, over 90% of these women-led enterprises are classified as microenterprises, with around 79% being self-funded.³

Literature Review

Recent Development in Engineering Science, Humanities and Management (2022) - The stand-up scheme is a long-term proposal to boost the ability of women entrepreneurs to accelerate economic growth and create stronger societies around the world. This initiative is intended to provide an opportunity and financial support to motivate women to work on their ideas systematically and, eventually, start their businesses.

Ahmad (2012) - It has been discovered that women entrepreneurs face challenges in securing financial support. Shortage of credit choices and an unfriendly market climate are serving as the key constraints. Other significant issues include an unfavourable market climate, insufficient government funding, and uncertain legislation. The barriers vary according to the field of activity of the enterprises.

Research Methodology

In this research paper, a Doctrinal research approach will be adopted to explore the challenges faced by women entrepreneurs in Punjab. Doctrinal research is a qualitative research method that involves analyzing existing literature, articles, research papers, reports from scholars, and government publications to gain insights and draw conclusions. This approach is well-suited for the current study as it allows for an in-depth examination of the legal, regulatory, socio-economic, and market-related challenges encountered by women entrepreneurs in Punjab. Moreover, it provides a comprehensive understanding of the existing framework and policies related to women entrepreneurship in the region.

Research Objectives

- To research how the Stand-up India Program of the Indian government affects the advancement of women entrepreneurs in Punjab.
- To research the challenges that women beneficiaries of this program encounter in receiving the benefits of this program.

² Sarfaraz, Faghih, & Majid. (2014). The relationship between women entrepreneurship and gender equality. *Journal of Global Entrepreneurship Research*, 4(1), 1–11.

³ Women Entrepreneurs and Stand-up India Scheme in Punjab: A critical review. (2022, June). *Gyan Management*, 16(1). <https://doi.org/10.48165/gmj.2022.16.1.8>.

Stand Up India Scheme

The Stand-Up India scheme, launched by Indian Prime Minister Mr. Narendra Modi on August 15, 2015, and officially initiated on April 5, 2016, aims to make bank loans available for new enterprises in the manufacturing, trading, or services sector. The scheme specifically targets scheduled caste (SC) or scheduled tribe (ST) members and at least one-woman borrower per bank branch. Under this program, eligible borrowers can access loans ranging from 10 lakh to 100 lakhs, and it is applicable to around 1.25 lakh bank branches of scheduled commercial banks across the country.⁴ If the borrower has not failed on the repayment of any prior bank loan obtained, any SC/ST or woman entrepreneur above the age of 18 is entitled to get the advantages under this plan for the greenfield projects.

Socio-Economic Challenges

Women entrepreneurs in Punjab face several socio-economic challenges that hinder their progress and success in the business landscape. These challenges are often deeply rooted in traditional norms and attitudes towards women's roles in society. Following are some of the key socio-economic challenges faced by women entrepreneurs –

- *Gender Bias and Discrimination in the Business Environment* - Gender bias and discrimination are pervasive challenges faced by women entrepreneurs in Punjab, stemming from deep-rooted cultural norms and societal attitudes. These biases manifest in various ways, affecting women's ability to establish and sustain successful businesses, including - Stereotyping and Prejudice, Access to Networks and Opportunities, Negotiation and Decision-making, Balancing Leadership and Likeability, role of Family and Society, etc.

Addressing gender bias and discrimination requires multi-faceted efforts. Implementing diversity and inclusion initiatives in business and entrepreneurship can help challenge stereotypes and foster an inclusive environment for women entrepreneurs. Creating mentorship and support programs specifically tailored for women can provide them with guidance and access to valuable networks. Additionally, awareness campaigns and educational programs can help dismantle gender stereotypes and promote the recognition of women's entrepreneurial contributions.⁵

- *Access to Financial Resources and Funding Opportunities* – Access to adequate financial resources and funding opportunities is crucial for the growth and sustainability of any business, including those led by women entrepreneurs. However, women in Punjab face several obstacles in this regard, which limit their access to capital and

⁴ PM Narendra Modi launches “Stand up India” to promote financial inclusion. (2016, April 6). The Economic Times. Retrieved July 20, 2023, from <https://economictimes.indiatimes.com/news/politics-and-nation/pm-narendra-modi-launches-stand-up-india-to-promote-financial-inclusion/articleshow/51700968.cms>.

⁵ Kaur, & Verma, Dr. (2021, June). Problems and Motivations for Women Entrepreneurs in Punjab, India. *Turkish Online Journal of Qualitative Inquiry (TOJQI)*, 12(3), 762–777. <https://tojqi.net/index.php/journal/article/view/826/276>.

- inhibit their business expansion. Some of the key factors contributing to the challenges faced by women entrepreneurs in accessing financial resources are - Perceived Risk and Gender Bias, Lack of Collateral and Credit History, Limited Awareness of Funding Options, Cultural and Social Constraints, Networking and Industry Connections, etc.
- *Limited Access to Formal Education and Skill Development* - Women entrepreneurs in Punjab encounter a notable obstacle in the form of limited access to formal education and skill development opportunities. In many regions, traditional norms and societal expectations often prioritize male education over female education, leading to disparities in educational opportunities. Girls and young women in Punjab may have restricted access to education due to cultural beliefs that prioritize their roles as homemakers and caregivers rather than as business leaders or entrepreneurs. The formal education system may not focus enough on entrepreneurship or business-related subjects, limiting the exposure of women to entrepreneurial skills and knowledge. Vocational and technical training opportunities may be limited for women, especially in non-traditional sectors, further perpetuating the gender gap in skilled workforce representation. Deeply ingrained gender norms may discourage families from investing in the education of their daughters, considering it unnecessary for their future roles within the household.⁶
 - *Balancing Family Responsibilities and Business Aspirations* - Balancing family responsibilities and business aspirations are a significant socio-economic challenge faced by women entrepreneurs in Punjab. Cultural and societal norms often expect women to fulfil traditional gender roles, which can create a conflict when pursuing entrepreneurial ventures. Traditional gender roles and expectations may restrict women from fully committing to their entrepreneurial aspirations, as they are often expected to prioritize family responsibilities above all else. Inadequate availability of affordable and reliable childcare services can hinder women entrepreneurs from dedicating ample time and focus to their business ventures. Women entrepreneurs often develop innovative strategies to integrate their work and family responsibilities seamlessly. Raising awareness about the importance of women's economic empowerment and dispelling stereotypes surrounding women in business can promote a more supportive environment.⁷

Legal and Regulatory Challenges

The legal and regulatory landscape presents significant hurdles for women entrepreneurs in Punjab. These challenges encompass various aspects of setting up and running a business, often leading to delays, additional expenses, and even discouragement for aspiring women

⁶ Entrepreneurial Motivation and Challenges: A Study on Women Entrepreneurs in Punjab. (2019, December). *Indian Journal of Economics and Development*, 15(4), 533–540.

⁷ Assessment of Empowerment among Women Entrepreneurs in Ludhiana District of Punjab. (2014, April). *Studies on Home and Community Science*, 8(1), 21–26.

entrepreneurs. The following are some of the key legal and regulatory challenges faced by women entrepreneurs⁸ -

- *Business Registration and Licensing* - Complex and time-consuming processes for business registration often deter women from formalizing their enterprises. Lack of awareness about the registration requirements and procedures, especially in rural areas. Gender-biased attitudes from officials, leading to additional scrutiny or demands for bribes.
- *Property Rights and Land Ownership* - In many parts of Punjab, women face limited access to property rights and land ownership, making it difficult to secure collateral for loans or investments. Cultural norms and patriarchal practices often hinder women's ability to inherit property or assets, restricting their economic empowerment.
- *Compliance with Labor Laws* - Adhering to labour laws and regulations becomes challenging for women entrepreneurs, particularly in terms of providing safe working conditions and adhering to fair labour practices. Maternity benefits and policies may not be effectively implemented in smaller businesses, impacting women employees and entrepreneurs alike.
- *Taxation and Financial Compliance* - Navigating the complex taxation system can be daunting for women entrepreneurs, especially those with limited financial literacy. Inadequate access to financial services and banking facilities in rural areas can hinder compliance with financial reporting requirements.
- *Intellectual Property Rights* - Protecting intellectual property rights can be challenging, and many women entrepreneurs may not be aware of the importance of such protections. Limited resources and information on patenting and trademarking processes may result in missed opportunities for women-led businesses.

To overcome these challenges and create a more supportive environment for women entrepreneurs, following several measures can be taken -

- *Simplifying Business Registration*: Streamlining the business registration process, providing clear guidelines, and establishing online portals for registration can reduce bureaucracy and save time.
- *Legal Literacy Programs*: Initiatives to educate women about their legal rights and business-related laws can empower them to assert their rights and overcome gender biases.
- *Land Rights Reforms*: Implementing land ownership reforms and enforcing property rights can enhance women's access to assets, enabling them to leverage these for business purposes.
- *Gender-Sensitive Labor Policies*: Tailoring labour policies to address the specific needs of women entrepreneurs, such as maternity leave provisions and flexible work arrangements, can create a more inclusive business environment.

⁸ *Supra Note 5.*

- *Financial Inclusion:* Promoting financial inclusion and establishing women-friendly banking facilities can improve access to credit and financial services for women entrepreneurs.
- *Legal Support and Mediation:* Providing affordable legal support and setting up mediation mechanisms for dispute resolution can expedite contract enforcement and protect women's interests.

Recommendations

Promoting and supporting women entrepreneurs in Punjab requires a comprehensive approach that addresses the multifaceted challenges they face. Based on the findings of this research, the following recommendations are proposed to create an enabling environment for women entrepreneurs to thrive⁹ -

- *Gender-Inclusive Policies:* The government of Punjab should introduce gender-sensitive policies that promote equal opportunities for women in entrepreneurship. This includes simplifying business registration processes, providing gender-specific financial incentives, and offering targeted training programs.
- *Access to Finance:* Establishing dedicated funds or schemes with low-interest loans for women entrepreneurs can significantly boost their access to financial resources. Collaborations with microfinance institutions and women-centric banks can facilitate the flow of credit to women-led businesses.
- *Entrepreneurship Education and Skill Development:* Integrating entrepreneurship education and skill development programs into the school and college curriculum can instil an entrepreneurial mindset early on. Additionally, specialized training workshops should be organized to enhance their business acumen and technological skills.
- *Awareness and Networking Programs:* Conducting awareness campaigns to challenge gender stereotypes and promote the success stories of women entrepreneurs can inspire more women to venture into businesses. Moreover, organizing networking events and industry-specific conferences can provide valuable opportunities for business growth and collaboration.
- *Legal and Regulatory Reforms:* Advocacy efforts should be made to simplify the legal and regulatory framework for businesses. Ensuring that property rights and land ownership issues are addressed fairly will empower women to utilize assets as collateral for loans and investments.
- *Incubation Centres and Co-Working Spaces:* Establishing dedicated incubation centres and co-working spaces for women entrepreneurs can provide a conducive environment for creativity, innovation, and collaboration. These spaces can also offer mentoring, access to resources, and networking opportunities.

⁹ Women Entrepreneurship in India Vis-À-Vis Punjab-Status, Motivation and Challenges. (2022, June). *Journal of Community Mobilization and Sustainable Development*, 17(2), 480–488.

- *Digital Literacy and E-Commerce Support:* Providing digital literacy training and facilitating access to e-commerce platforms can empower women entrepreneurs to leverage technology for business growth, expand their customer base, and access new markets beyond geographical boundaries.
- *Government-Private Sector Partnerships:* Collaborations between the government, private sector, and non-governmental organizations can create a more holistic ecosystem of support for women entrepreneurs. Public-private partnerships can lead to innovative solutions and increased resources for women-led businesses.
- *Family and Community Involvement:* Engaging families and communities in supporting women entrepreneurs is crucial. Raising awareness about the benefits of women's economic participation and garnering support from family members can lead to increased encouragement and reduced work-family conflicts.
- *Monitoring and Evaluation:* Establishing a robust monitoring and evaluation mechanism is essential to track the effectiveness of implemented policies and programs. Regular assessment of outcomes will allow for necessary modifications and improvements in the support system for women entrepreneurs.

By implementing these recommendations, policymakers and society at large can foster an inclusive and empowering entrepreneurial ecosystem that unlocks the full potential of women entrepreneurs in Punjab. Such efforts can lead to economic growth, job creation, and overall prosperity for the region.¹⁰

Conclusion

Through business, women gain social and economic freedom. The findings make it very obvious that familial relationships, issues with marketing and finances, a lack of education, and a lack of technical supervision are the main barriers to operating a successful business. Nevertheless, despite a number of issues, women wish to maintain their demanding position as business owners. As of November 23, 2021, Punjab had granted loans of ₹271.49 crores to 1264 different accounts. There are 848 women beneficiaries among these 1264 accounts, with a sanctioned loan sum of ₹189.93 crores. The effectiveness of this plan is evident from this number alone. Through the stand-up India Scheme, several business success stories have also surfaced in the Punjab area. Many job searchers have become job creators thanks to the initiative. Due to the success of Stand-up India in giving women entrepreneurs a platform, the program was extended in 2019–20 until 2025.

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¹⁰ *Ibid.*

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