

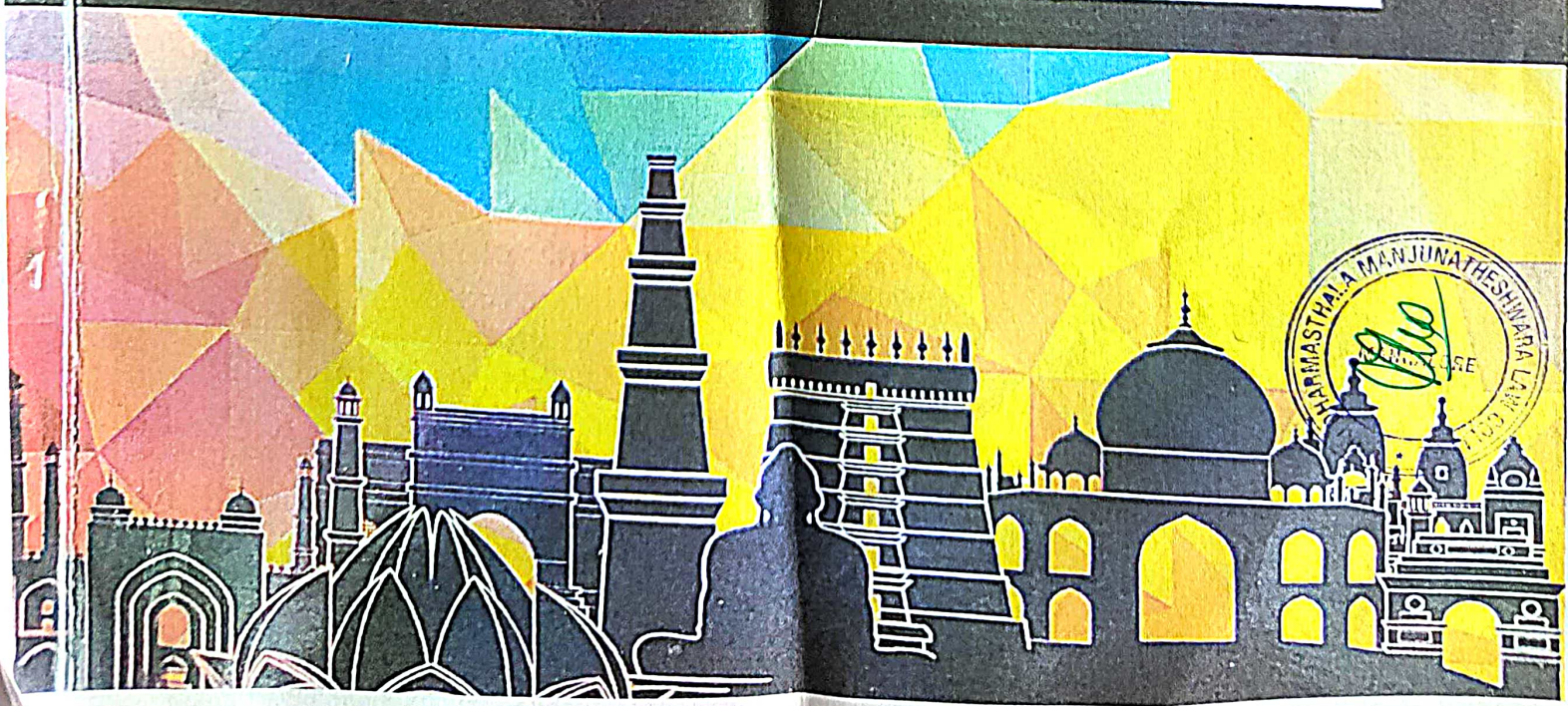
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"START - UP INDIA
SOCIO-ECONOMIC OPPORTUNITIES
AND CHALLENGES:
A LEGAL PERSPECTIVE"



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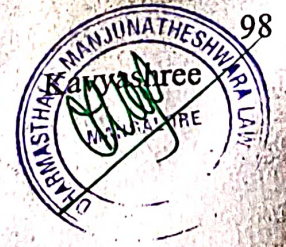
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Startups as the Mechanism for Women Entrepreneurship; Women Empowerment

Mrs. Chaitra Shetty *

Dr. Tharanatha **

Abstract

Startup India is a clarion call for unearthing the potentiality of the youth population of our country towards economic empowerment with the ambition of the swadeshi concept. The traditional role of women as secondary members in economic activities is undergoing a drastic change with women occupying key positions in the economy, including a woman holding the most prestigious portfolio in the central government in the capacity of the ministry of finance and corporate affairs shows the level of talent of women in economic management. However, this doesn't mean that there is automatic empowerment of all women. Instead of the vertical approach of the role of women in nation-building through economic activities, we need to understand from a horizontal level as to how and for what extent means and mechanisms to be evolved to make women as the participative population in economic development and will the schemes like Startup India, in the long run, achieve this noble objective shall be investigated.

Keywords: empowerment, entrepreneurship, barriers

The emergence of entrepreneurship depends on the economic, social, religious, cultural, and psychological factors prevailing in a given society. A Person who undertakes the risk of starting a new business venture is called an entrepreneur. In other words, an entrepreneur is a person who desires to start a new business and undertakes risk intending to earn profit. Entrepreneurship is not of recent origin. It has been in existence since the Vedic periods.¹ Entrepreneurship is a very much determinant for the growth of any economy. It is an economic activity in which an entrepreneur undertakes to start a new business enterprise or finds a creative way of improvising the existing business. Though Indian society, due to its patriarchal approach, narrowed down the concept of entrepreneurship to the male domain, there were many examples where women were too involved in productive economic activities.² However, the fundamental difference between a woman as an entrepreneur vis a vis men is that women, while supporting the family

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¹ During the period of Rigveda where metal handicrafts were prevalent in society. Post Vedic period witnessed the establishment of kharkhanas, where artisans were organized into cooperative organizations

² The illustrious examples include Mrs. Kalpana Saroj (Kamani Tubes Mumbai) (Padma Shri awardee)

Ms. Sumati Morarjee Scinda Steam Navigation Company (Padma Vibhushan awardee)

Ms. Sharayu Daftary Bharat Radiators Limited (Padma Shri awardee)



equally, need to balance their capacity as an entrepreneur need to justice to the family and the nation in a balanced manner, thereby contributing to the country; upholding its cultural values and equally contributing towards the economy of the nation. The post-independence era, incentives, and pro-policies of government, the mandates of directive principles of state policy, LPG, in addition to global exposure, has resulted in women becoming the focal point of economic torchbearers handling the plane of the economy from the remote corner of the country to CEOs of multinational companies⁴.

APJ Abdul Kalam states, "empowering women is a prerequisite for creating a good nation; when women are empowered, a society with stability is assured. Women's empowerment is essential as their thoughts and value systems lead to developing a good family, good society, and ultimately a good nation"⁵.

After World War II, there was a drastic increase in self-employed women worldwide. This has been possible due to many cumulative factors arising out of the mandate of the Constitution of India. From the legal perspective, the definition of a women entrepreneur is 'an enterprise owned and controlled by women having a minimum financial interest of 51% of the capital and giving at least 51% of the employment generated by the enterprise to women'⁶

This paper focuses on the Problems faced by women entrepreneurs in India, which can be summarized as follows

- Indian women have less focus on entrepreneurship and might not have the career option of becoming an entrepreneur.
- No proper education for women in a rural area in the field of entrepreneurship
- The risk involved in entrepreneurship may demotivate women entrepreneurs from starting up a business
- Problems in arranging finance for starting a business, acquiring raw materials, and production activities may discourage women entrepreneurs.
- Competition in the business may make women entrepreneurs lose interest in starting of new business.
- Lengthy procedures in getting finance from banks and financial institutions
- Women entrepreneurs may not get family support which may discourage them

Women entrepreneurship needs to be developed for the growth and development of any nation. There are a lot of inequalities in gender in Indian business. Even though women are well qualified, highly skilled, and knowledgeable, very few enter the mainstream of starting their own business. Today, women-owned business enterprises are running their business

³ Principles of equal pay for equal work, men and women workers to be protected equally, state obligation to see that health and strength of women workers are not abused, and they shall not be forced by economic necessity to enter vocations unsuited to their strength, etc.

⁴ Indra Nooyi, former CEO, Pepsico; Kiran Mazumdar Shaw (Chairman & MD Biocan Ltd, Roshani Nadar, Chairperson HCL, Ms. Revathi Advaiti CEO, Flex, Ms Leena Nair, CEO, French Fashion Brand Channel.

⁵ Falguni Nayar (Nykaa) Indra Nooyi (CEO, PepsiCo) Rita Singh (M'escos)

⁶ Ms. Sweetly Gupta MS. Aanchal Aggarwal, *Opportunities and Challenges faced by Women Entrepreneurs in India* IOSR Journal of Business and Management August 2015 www.iosrjournals.org Page retrieved on December 2022.

⁶ Supra Note 5 p 69



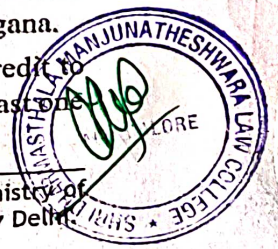
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successfully, and these success stories bear the fruits as seen above. We have seen a fairly good number of women entrepreneurs making their presence felt both in national and international spheres. The success of the increase in the number of women-led enterprises has a direct impact on the country's growth.

Current Policies and Programs concerning Women Entrepreneurship⁷

1. **The Ministry of Women and child welfare brought out the Draft National Policy for Women (2016):** which envisaged that all-important micro-level policies needed in the country's development. Many programs are initiated by the Government of India to encourage women's entrepreneurship, such as entrepreneurship development, training and skill upgradation, support to women farmers in their livelihood, access to finance, etc.
2. **Start-up India Programme:** This is the most coveted and ambitious program was launched in February 2016, and over the period, it has become the third largest startup ecosystem in the world, providing hand holding, funding support incentives, industry- academic partnership to provide conducive environments for startups in the country. A corpus of 10,000 crores has been earmarked for the program, out of which 10% is reserved for women-led startups.
3. **Prime Minister's Employment Generation Programme:** This scheme was initiated by the khadi and village industries commission as the nodal agency through KVIC Directorates, State Khadi and Village Industries Board (KVIBs), District Industries Centre and Banks for setting up new enterprises, special subsidy level in the program to special categories including women is 25% and 35% in urban areas and rural areas.
4. **Ministry of MSME launched Udyam Sakhi:** A network for nurturing social entrepreneurship and creating business models revolving around low-cost products and services to resolve social inequalities.
5. **Udhyan Shakti Portal for Women Entrepreneurs:** it is an initiative of the Ministry of Micro Small and Medium Enterprises launched on the eve of International Women's Day 2018 to nurture social entrepreneurship. It caters to the need of 8 million women entrepreneurs in India to plan, start, build, and grow businesses, provide incubation facilities, help conduct market surveys, etc. Projects with a maximum cost of 25 lakhs are covered under the scheme.
6. **Economic empowerment of women Enterprises and Startup by women** in collaboration with a German-based Development Authority. It is an initiative of the ministry of skill development and Entrepreneurs, providing incubation and accelerating programs for women micro-entrepreneurs to start a new businesses. Currently, this project operates in the states of Assam, Rajasthan, and Telangana.
7. **Stand up India scheme:** it was launched on 5th April 2016 to facilitate credit to women entrepreneurs to provide loans ranging from 1 lakhs to 1 crore to at least one women entrepreneur by one bank each.

⁷ Excerpts from NCW Consultation Assisting women-led enterprises in collaboration with Ministry of Micro, Small and Medium enterprises on 11th March 2020 at India International Centre New Delhi.



- 8. **Credit Guarantee Fund Trust for Micro Small Enterprises:** it is a collateral-free credit facility for micro and small industrial sectors. The extent of guarantee cover is 80% for Micro and Small Enterprises being operated and owned by Women: for credit facilities up to Rs 50 lakh.
- 9. **Micro & Small Enterprises- Cluster Development Programme:** The objective of the scheme is to support the sustainability and growth of MSEs by addressing common issues such as improvement of technology, skills, quality, market access, etc.; capacity building through the formation of self-help groups, set up Common Facility Centers. Women Owned enterprises are given special consideration in all the programs.
- 10. **Mudra Yojana Scheme for Women:** This scheme has been launched by the Govt of India for individual women wanting to start a small new enterprise. The loan doesn't require any collateral security and can be availed for up to 50,000 to 10 lakhs.
- 11. **Exhibition for Women under promotional package for Micro and Small Enterprises under marketing support:** For encouraging women entrepreneurs to participate in International Exhibitions, certain provisions like free space in the Exhibition and economy class airfare for one woman representative.
- 12. **Financing Schemes offered by Banks:**
 - a) **Shri Shakti Package for Women Entrepreneurs:** SBI-run scheme offering concessions to women with majority ownership over 50% in a business provides interest concession of 0.05% on loans exceeding Rs 2 lakhs with no security for loans up to Rs 5 lakhs.
 - b) **Cent Kalyan Scheme:** Central Bank of India scheme for new entrepreneurs and self-employed women for macro/small enterprises. Loan up to 1 crore without collateral security.
 - c) **Mahila Udyam Nidhi Scheme:** Punjab National Bank and SIDBI offer this scheme to support women entrepreneurs to set up new small-scale ventures extending loans up to 10 lakhs to be repaid in 10 years.

Other schemes are provided by various other banks Oriental Mahila Vikas Yojana Scheme by Oriental Bank of Commerce, Bharatiya Mahila Bank Business Loan, Dena Shakti Scheme by Dena Bank, etc.

The outstanding flagship program under startup India for women can be enlisted as

- 1. Incubator, Accelerator, and learning programs conducted in partnership with stakeholders such as corporates, incubators, accelerators, and other organizations
- 2. Start-up India Resources, starter kit for budding entrepreneurs, startup India showcase, recognition and tax e-exemption certificate, government procurements, international bridges, online courses for entrepreneurship, partnered services, etc.

Though policies and frameworks for women's entrepreneurship are encouraging, there are hundreds of hurdles women entrepreneurs face. Of course, hurdles are the associated and inevitable factors and gender-neutral when we speak about entrepreneurship; however,



Exclusively gender-based prejudice, mindset, and attitude primarily affect women entrepreneurship in India. They can be stated as follows.

1. Unequal treatment in respect of competency and capacity
2. Family-related taboos and religious-based lack of encouragement
3. Balancing personal and social life
4. Handling a large workforce with a major segment of the men folk
5. Restriction on risk-taking
6. Absence of proactive government departments
7. Other psycho-social barriers such as poor self-image of women, inadequate motivation, discriminatory treatment, role conflict, lack of social acceptance, fear of failure and criticisms, susceptibility to negative attitudes, lack of freedom of expression, cultural and moral values, beeking leadership qualities; faulty socialization, inadequate encouragement, low dignity of labor, nonpersistent attitude, etc.⁵

Therefore, there need to be structural and attitudinal changes in creating a better avenue for women to become entrepreneurs.

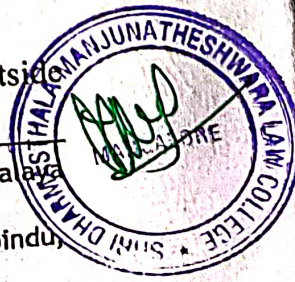
1. The educational curricula should infuse confidence and knowledge
2. Hands-on training programs, skill development programs
3. Identification of interest and creating a conducive environment
4. Making women think beyond traditional fields such as entrepreneurship in FMGs, banking, software, etc., to medical tourism, transport, and hospitality sectors, tours, and travels, agro-based industries, chemicals, fertilizers, etc.
5. Encouraging cooperative ventures
6. Establishment of nodal centers in every district to survey the products, market, and brand-building process

Besides, the following measures result in not only economic empowerment but also self-empowerment

1. Increase in self-esteem, individual and collective confidence
2. Increase in articulation, knowledge, and awareness of health, rights, law, and literacy
3. Increase and decrease personal leisure time and time for a child (depending on context).
4. Change in role and responsibility in family and community
5. Visible changes in women's participation levels in attending meetings, participating and demanding participation
6. Formation of women collectives
7. Awareness and recognition of women's economic contribution within and outside the household⁹

⁵ Vasant Desai, Small Scale Industries and entrepreneurship in the twenty-first century, Himalaya Publishing House, 2017 pp 350- 351

⁹ Empowerment of Women, Dr. Shanmukha Rao Padala, Dr. N V S Suryanarayana Gotet Himabindu, Sonali Publications, New Delhi 2011 pp 201-202.



Apart from these organization of seminars, workshops, literature distribution of possible opportunities, and identification of traditional industries, handicrafts, handlooms, toys, etc., will result in the revival of conventional entrepreneurship. As stated, *yatra naryastu poojyanthe Ramanthe thatr devatha* (where women are worshipped gods will stay) when the petty unit in our society called as a family can develop with the support and sacrifice of women its right time that the nation needs women entrepreneur's in overwhelming numbers to take the nation ahead in the global sphere and the startup India is one of the best initiatives in the right direction and is the right direction for the women economic empowerment.

