Role of Government in promoting women entrepreneurship

Nazia Hasan                                                Garima Rawat                                Shipra Agarwal
Lecturer( TMIMT)                                                Lecturer( TMIMT)                                       Lecturer( TMIMT)

Entrepreneurship is a key to economic development of a country. Women entrepreneurs tend to be highly motivated & self directed, they also exhibit a high internal locus of control & achievement. Researchers contend that women business owners possess certain specific characteristics that promote their creativity and generate new ideas and ways of doing things. One key characteristic of all successful entrepreneurs is that they have vision. They find a niche in a particular market and find a way to fill it. They give life to their vision/business and either personally or finding a way to make it happen. This “vision” keeps them focused and able to bring product or service to the market. Women are almost one half of the world’s population having enormous potential but being underutilized or unutilized for the economic development of the nation. There is need to strengthen and streamline the role of women in the development of various sectors by harnessing their power towards nation building and to attain accelerated economic growth Majority of women do not undertake entrepreneurial ventures.  History is full of instances of individual entrepreneurs whose creativity had led to the industrialization of many nations

Introduction

Entrepreneurship refers to the act of setting up a new business or reviving an existing business so as to take advantages from new opportunities. Thus, entrepreneurs shape the economy by creating new wealth and new jobs and by inventing new products and services. However, an insight study reveals that it is not about making money, having the greatest ideas, knowing the best sales pitch, applying the best marketing strategy. It is in reality an attitude to create something new and an activity which creates value in the entire social eco-system. It is the psyche makeup of a person. Women Entrepreneurs may be defined as the women or a group of women who initiate, organize and operate a business enterprise. The Government of India has defined women entrepreneurs as —an enterprise owned and controlled by women having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generated in the enterprise to women.

The Indian economy has been witnessing a drastic change since mid -1991, with new policies of economic liberalization, globalization and privatization initiated by the Indian government. India has great entrepreneurial potential.  Any strategy aimed at economic development will be lop-sided without involving women who constitute half of the world population. Evidence has unequivocally established that entrepreneurial spirit is not a male prerogative. Women entrepreneurship has gained momentum in the last three decades with the increase in the number of women enterprises and their substantive contribution to economic growth. The industrial performance of Asia-Pacific region propelled by Foreign Direct Investment, technological innovations and manufactured exports has brought a wide range of economic and social opportunities to women entrepreneurs.

Female entrepreneurs, also known as women entrepreneurs, encompass approximately 1/3 of all entrepreneurs worldwide It is a state of mind, which develops naturally, based on his/ her surrounding and experiences, which makes him/ her think about life and career in a given way.

The growth of the proportion of women entrepreneurs in developing countries has drawn the attention of both the academic and the development sector. Donors, international public institutions, national and local governments, NGOs, private companies, charities, knowledge institutes and business associations have initiated programs or policies to promote and
develop women’s entrepreneurship. They initiate programs for capacity-building of entrepreneurial skills, strengthening women’s networks, provide finance and trainings, or design policies that enable more and stronger start-ups and business growth. They all claim that women entrepreneurship is essential for growth and development. Some even argue that women entrepreneurs’ contribution tends to be higher than that resulting from entrepreneurial activity of men.

The position of women and their status in any society is an index of its civilization. Women are to be considered as equal partners in the process of development. But, because of centuries of exploitation and subjugation, Indian women have remained at the receiving end. They have not been actively involved in the mainstream of development even though they represent equal proportion of the population and labour force. Women as an independent target group, account for 495.74 million and represent 48.3% of the country’s population, as per the 2001 census. No country can achieve its potential without adequately investing in and developing the capabilities of women. In the interest of long-term development it is necessary to facilitate their empowerment. In many developing countries, including India, women have much less access to education, jobs, income and power than men. Even after five and half decades of planned development Indian women have not achieved expected success in the mainstream of life. Our country will be unable to have a competitive edge over others until and unless the status and role of women is improved.

In Dell Women’s Global Entrepreneurship Study conducted across 450 women entrepreneur across India, the US and the UK by research firm Penn Schoen Berland found that Women Entrepreneur in India expect 90 per cent growth in their business over period of five years compared to 24 per cent and 50 per cent growth in business expected by entrepreneur in the UK and the US respectively.

Challenges faced by Women Entrepreneur in India

In India, women entrepreneurs are a rarity. However, in the last 30 years, a handful of businesswomen in India, including Lalita Gupte, Kalpana Morparia, Anu Aga, Kiran Mazumdar-Shaw and Simone Tata, have quietly broken through the barriers of social conformity—both at home and in the workplace—to become successful entrepreneurs and professionals. And how many of them do we have in male-dominated sectors like construction, real estate and manufacturing where the rough and tumble of running a business is up close and personal?
A study by the FICCI's ladies organization (FLO) has found that women entrepreneurs face an uphill task when it comes to starting their own business. The study, which looks at the challenges faced by women entrepreneurs, The study assumes importance in the face of the booming retail growth in India, pegged at 25% annually.

- Banks and other financial institutions often do not consider women entrepreneurs as "serious" applicants for setting up their projects and they are hesitant to provide financial assistance, especially to unmarried women, taking into consideration that either the parents or in-laws will return the loan.

- Some of the essential managerial functions like financial control, sales, logistics, warehousing facilities, availability of skilled workforce, power supply, etc, often pose critical challenges to women entrepreneurs, especially in the initial period when they themselves are required to tend to all these functions.

- One cannot also ignore the impact of family and society on women in India during their formative years. Socialization of girls in the Indian society continues to have elements of repressive methods of upbringing of the girl child, thereby impacting the aspirations of women.
It seems like that More than half the women (56 percent), but less than a third of the men (31 percent), were motivated to become entrepreneurs by a company founder’s recruitment efforts. This gap was the largest difference in motivation between the two sexes. A family member or entrepreneurial friend served as a role model for more than half the female respondents and many of the men.

Yet the number of successful women entrepreneurs is growing. They are now found in the most unlikely of places, from the most unlikely of backgrounds, finding opportunities few knew even existed.
Policies and Schemes for Women Entrepreneurs in India

The concept of developing women entrepreneurship lays emphasis of the productive utilization of women labour force to generate income and output. The sixth five year plan for the first time highlighted the problem of women integration in economic development in India and exploit the need for women employment in household sector by providing adequate support in the areas of technology upgradation, training credit raw material requirements, and development of financing loans. For this purpose sincere efforts have been taken under various policies and programmes. Development of women has been a policy objective of the government since independence. Until the 70s the concept of women’s development was mainly welfare oriented. In 1970s, there was a shift from welfare approach to development approach that recognised the mutually reinforcing nature of the process of development. Emphasis on three core areas of health, education and employment. Women were given priorities in all the sectors including SSI sector. Government and non-government bodies have paid increasing attention to women’s economic contribution through self employment and industrial ventures.

For the first time in India, GoI laid emphasis on women development in the Fifth Five-Year Plan (1974-79) by providing training to women, who were in need of income and protection. This plan coincided with International Women’s Decade and the submission of Report of the Committee on the Status of Women in India. In 1976, Women’s welfare and Development Bureau was set up under the Ministry of Social Welfare.

The Sixth Five-Year Plan (1980-85) saw a definite shift from welfare to development. It recognized women’s lack of access to resources as a critical factor impeding their growth.

The Seventh Five-Year Plan (1985-90) emphasized the need for gender equality and empowerment. For the first time, emphasis was placed upon qualitative aspects such as inculcation of confidence, generation of awareness with regards to rights and training in skills for better employment.

The Eight Five-Year Plan (1992-97) focused on empowering women, especially at the Gross Roots Level, through Panchayati Raj Institutions.

The Ninth Five-Year Plan (1997-2002) adopted a strategy of Women’s Component Plan, under which not less than 30 percent of funds/benefits were earmarked for women related sectors.

In India, the Micro, Small & Medium Enterprises development organisations, various State Small Industries Development Corporations, the Nationalised banks and even NGOs are conducting various programmes including Entrepreneurship Development Programmes (EDPs) to cater to the needs of potential women entrepreneurs, who may not have adequate educational background and skills. The Office of DC (MSME) has also opened a Women Cell to provide coordination and assistance to women entrepreneurs facing specific problems.

There are also several other schemes of the government at central and state level, which provide assistance for setting up training-cum-income generating activities for needy women to make them economically independent. Small Industries Development Bank of India (SIDBI) has also been implementing special schemes for women entrepreneurs.

Various government schemes for MSMEs also provide certain special incentives and concessions for women entrepreneurs. For instance, under Prime Minister's Rozgar Yojana (PMRY), preference is given to women beneficiaries. The government has also made several relaxations for women to facilitate the participation of women beneficiaries in this scheme. Similarly, under the MSE Cluster Development Programme by Ministry of MSME, the contribution from the Ministry of MSME varies between 30-80% of the total project in case of hard intervention, but in the case of clusters owned and managed by women entrepreneurs, contribution of the M/o MSME could be up to 90% of the project cost. Similarly, under the Credit Guarantee Fund Scheme for Micro and Small Enterprises, the guarantee cover is generally available up to 75% of the loans extended; however, the extent of guarantee cover is 80% for MSEs operated and/or owned by women.

Some of the special schemes for women entrepreneurs implemented by the government bodies and allied institutions are provided below.

- **Schemes of Ministry of MSME**
  - Trade related entrepreneurship assistance and development (TREAD) scheme for women
  - Mahila Coir Yojana

- **Schemes of Ministry of Women and Child Development**
  - Support to Training and Employment Programme for Women (STEP)
  - Swayam Siddha

- **Schemes started by various states for women development**
  - **Schemes of Kerala State Women’s Development Corporation**
    - Self employment loan programmes
    - Educational loan schemes
    - Single women benefit schemes
    - Job oriented training programmes
    - Marketing support for women entrepreneurs

- **Kerala Government's Women Industries Programme**
- **Delhi Government’s Stree Shakti Project**
- **Schemes of Delhi Commission for Women (Related to Skill development and training)**
- **Incentives to Women Entrepreneurs Scheme, 2008, Government of Goa**
- **Magalir Udavi Scheme, Pudhucherry Government**
- **Financing Schemes by Banks/ Financial Institution’s**

**Associations Promoting Women Entrepreneur**

A brief analysis of various associations and agencies that are functioning at state and national levels to promote women entrepreneurs is made for reference.

1. **Self-Help Groups (SHGs)**
This is a voluntary association of small group of self-employed rural or urban women entrepreneurs who join together to take care of group welfare. The group with the help of financial institutions and other NGOs get their needs satisfied. Each member contributes little amount to cover seed money. Rest will be taken care off by FIs or NGOs. Governments also provide funds through FIs. For example, in Karnataka “Sree Shakti” scheme by Government of Karnataka. SHGs provide facilities to its members in the form of loan or raw material for production or skilled labor etc. These associations are helping small women entrepreneurs to start and develop home-based business. Women belonging to weaker sections of the society have been greatly benefited in their entrepreneurial activities.

2. **Federation of Indian Women Entrepreneurs (FIWE)**

FIWE is the outcome of resolution passed in 4th International Conference Women Entrepreneurs held at Hyderabad. This was founded in 1993. It mainly interacts with various women associations of the country through a network to facilitate the members in diversified activities.

Activities of FIWE are as follows:

1. To provide network facilities to women entrepreneurs in the country and abroad to develop their business.
2. To provide facilities to member associations in the areas of marketing, quality control, export management, standardisation and also provides training facilities in these areas.
3. Facilitates the member associations to participate in national and International conference, fairs, exhibitions, to provide greater exposure to women entrepreneurs in local, regional, national and global business environment and provide an access to various business opportunities available.
4. Provides facilities to expand the business of members and of member associations. It may be new project or extension of the existing business.

3. **Women’s India Trust (WTI)**

This trust was established in 1968. The promoter Kamila Tyabji made a small beginning with two shops in Mumbai and a training and production centre at Panvel. The trust was started with the main objective of helping women entrepreneurs. Encouraged by the growth of the activities of the trust, it further extended its activities which are as follows.

1. Establishing Kamila Trust in UK in 1994 to market the products of WTI members. The trust made its beginning by selling the products from door to door and then opened a shop in London under the name "KASHI".
2. Encouraged by its success in London, WIT extended the export activities to Australia, Europe and Germany from 1995 onwards.
3. Has started educational programme in "Nursing" and Kindergarten training.
4. Has plans to launch computer training for women.

**Conclusion**

Looking at the future prospects for Development of Women Entrepreneurs the emergence as well as development of women entrepreneurs is quite visible in India and their over-all contribution to Indian economy is also very significant. Today the role of Women entrepreneur in economic development is inevitable because women are entering not only in selected professions but also in professions like trade, industry and engineering. The industrial structure and the enterprises are undergoing a radical change. Information Technology has transformed the very technique of doing business. Individually, business ownership provides women with the independence they crave and with economic and social success they need. Nationally, business ownership has great importance for future economic prosperity. Globally, women are enhancing, directing, and changing the face of how business is done today. Ultimately, female business owners must be recognized for who they are, what they do, and how significantly they impact the world’s global economy. Estimates show women entrepreneurs at a tenth of the Indian entrepreneur universe — currently there are 1.3 million SSIs and 9.1 million registered SMEs — in India, with the percentage growing every year. It isn’t an easy journey, as any entrepreneur will tell you.
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