

Facilitating Factors for Women Entrepreneurship in India

B. Parimala Devi

Lecturer, Department of Commerce, K. V. R Government College, Kurnool, Andhra Pradesh, India

Abstract: *Women entrepreneurship is an untapped source of economic growth in India, which has received scant policy attention so far. Entrepreneurship development among women is important for the achievement of broader development objectives such as growth with equity. Studies indicate that many women entrepreneurs are found working in difficult situations when compared to their male counterparts. Factors like political instability, poor infrastructure, high production costs and non-conductive business environment affect women entrepreneurs more than men. This paper aims to identify strategies and policies which could create an enabling environment for women entrepreneurs in India. It aims to provide a set of practical and policy-worthy recommendations to promote the healthy growth of entrepreneurial activities and enterprises owned by women.*

Keywords: Women, Entrepreneurship, Facilitating factors

1. Introduction

The Entrepreneurship Development Process for Women in India is increasingly being recognized as an important untapped source of economic growth since women entrepreneurs create new employment opportunities and avenues for women's economic independence. The Micro, Small and Medium Enterprises (MSME) sector in particular, which plays a central role in the economic and social development of the country and is described as an "engine of growth" is attracting increasing policy attention. Despite scarce sex-disaggregated data on women's participation in the MSME sector, it is recognized that a huge number of women in India are engaged in the MSME sector, the majority of them in the unorganized sector. The purpose of this paper is to facilitate evolving a comprehensive package of policy recommendations to foster enabling environment for women's entrepreneurship in India.

2. Objectives

- To study the efforts of the government for the development of women entrepreneurship in India.
- To study the existing policies for women entrepreneurship development in India.
- To study the institutional support for the development of women entrepreneurship in India.
- To study the measures to foster an enabling environment for the development of women entrepreneurship in India.

3. Methodology

The present study is an informative study based on secondary data. The data were collected from books, journals, annual reports of MSME and websites.

4. "Women" as Entrepreneurs in India

Women owned businesses are highly increasing in the economies of almost all countries. The hidden entrepreneurial potentials of women have gradually been changing with the growing sensitivity to the role and

economic status in the society. Skill, knowledge and adaptability in business are the main reasons for women to emerge into business ventures. "Women Entrepreneur" is a person who accepts challenging role to meet her personal needs and become economically independent. A strong desire to do something positive is an inbuilt quality of entrepreneurial women, who is capable of contributing values in both family and social life. With the advent of media, women are aware of their own traits, rights and also the work situations.

5. Efforts of the government for the development of women entrepreneurship in India

Issues related to women's economic empowerment reflect wider concerns for poverty alleviation in the policy and plans of the Government of India. From the 1980s, women have begun to be acknowledged as not just a special segment of the population but core human resources in India, which need targeted programmes. A progressive increase in the plan outlays over the last six decades of planned development has occurred, to meet the needs of women and children by adapting National Policy for Empowerment of Women (2001). The outlay of Rs. 4 crores (40 million) in the First Plan (1951-56) has increased to Rs. 7,810.42 crores in the Ninth Five-Year Plan, and Rs. 13,780 crores in the Twelfth Five-Year Plan. There has been a shift in the government efforts for women development from a "welfare"- oriented approach in the First Five-Year Plan to one of "development" and "empowerment" of women in the consecutive Five-Year Plans.

Government schemes and programmes for women's entrepreneurship development

In India, the MSME development organizations, various State Small Industries Development Corporations, national banks and NGOs are conducting entrepreneurship development programmes to cater to the needs of potential women entrepreneurs, who may not have adequate educational background and skills. Several other schemes of

the government at central and state level exist, which provide assistance for setting up enterprises for women to make them economically independent. Significant schemes are prevalent in the states of Kerala, Tamil Nadu, Goa and Haryana for the development of women entrepreneurs. Those women-specific schemes are:

- Scheme for Women Entrepreneurs to set up Industrial Units: Kerala
- Mahila Coir Yojana: Kerala
- Entrepreneurship Development Programme for Women: Tamil Nadu
- Women's Training-cum-Production Centres and Stipend: Haryana
- Swayamsidha (Indira Mahila Yojna): Haryana and
- Incentives to Women Entrepreneurs Scheme, 2003: Goa

In 2010, The National Mission for Empowerment of Women was launched by the Government of India in order to strengthen overall processes that promote all-round development of women. The National Resource Centre has been set up which functions as a national convergence centre for all schemes and programmes targeting women. Some of its focus areas are skill development, micro credit, vocational training, entrepreneurship and self-help group development.

6. Existing policies for women entrepreneurship development in India

Various policies of MSME for women's entrepreneurship development play a major role in this process. After reviewing existing policies and the way they impinge on women enterprises, the key findings can be classified under the following broad headings:

6.1 Regulatory Policies

Policies concerned with ensuring compliance, by individual women entrepreneurs, firms, with laws, and the rules and regulations laid down under those laws for various aspects of a business are classified as regulatory policies. Those are related to Registration and incorporation, licensing for production and quotas for scarce raw materials, taxation, labour wages, welfare and safety, environmental protection, consumer protection, quality and standards and specific subsector laws and rules, etc.

6.2 Promotional Policies

Policies that have been applied directly or indirectly to women for promotion of self-employment and entrepreneurship, specific subsectors, traditional industries and industries in backward regions are classified as promotional policies. These are related to self-employment and entrepreneurship.

6.3 Credit Policies

Policies that have been applied directly or indirectly to women for credit and finance support for business are credit policies. They relate to credit and finance support and institutional arrangement for credit and finance support.

These Policies are a mix of welfare and credit for women entrepreneurs. Most of the nationalized banks have to offer loans to women entrepreneurs as a policy.

6.4 Representational Policies

Those are policies which ensure broad-based citizen participation in the processes of formulation, implementation and monitoring of policies and regulations that affect them, and citizen control over the affairs of promotional agencies (chamber of commerce, industries associations, workers, trade unions, etc.) meant to serve them. There are no major policies in effect to ensure representation of women entrepreneurs in policy-making process and institutions.

7. Institutional support for the development of women entrepreneurship in India

Supporting institutions undertake a variety of activities encompassing credit, business skill training, technical and technology training, employment creation, marketing services, legal assistance, psychological counseling and some social welfare trade programs. Some of the supporting institutions are as follows.

7.1 Federation of Indian Women Entrepreneurs (FIWE)

It is the outcome of resolution passed in 4th International Conference of Women Entrepreneurs held at Hyderabad. It was founded in 1993. FIWE interacts with various women's associations in the country to facilitate members' involvement in a range of activities.

7.2 Small Industries Development Bank of India (SIDBI)

It is an institution established at the national level to provide facilities for small-scale industries. As a part of developing small industries by women entrepreneurs, SIDBI has introduced specific schemes for women.

7.3 Khadi and Village Industries Commission (KVIC)

It is established under the Khadi and Village Industries Commission Act, 1956, as a statutory organisation engaged in promotion and development of khadi and village industries to provide employment opportunities in rural areas and for women entrepreneurs.

7.4 Micro, Small and Medium Enterprises Development Organisation (MSME-DO)

It is the apex body for assisting the Government in formulating, coordinating, implementing and monitoring policies and programmes for MSMEs in the country. MSME-DO provides a comprehensive range of common facilities, technology support services, marketing assistance, entrepreneurial development support among others, to women entrepreneurs.

7.5 National Bank for Agriculture and Rural Development (NABARD)

NABARD is an autonomous financial institution which provides liberal credit to rural women entrepreneurs.

7.6 International Centre for Entrepreneurship and Career Development (ICECD)

ICECD is a registered trust which has been involved in training women entrepreneurs for MSME development in large scale over the last 25 years. It has extended its operations internationally and has supported women entrepreneurs in over 55 countries.

8. Measures to foster an enabling environment for the development of women entrepreneurship in India

To lead women towards Entrepreneurship by creating an enabling environment, a series of recommendations are provided here

8.1 Assistance and awareness creation

Central and State governments should assist women entrepreneurs to participate in international, national and local trade fairs, exhibitions and conferences. Such activities should be organized regularly. Incentives to women for entry in MSME sector as entrepreneurs should be offered. Attempts by various NGOs are to spread information about policies, plans and strategies on the development of women in the field of industry, trade and commerce are playing a crucial role and should be supported.

8.2 Procedural simplification

The procedures and formalities should be simplified for registration of business, financial and legal assistance, subsidies, concessions, relief etc, from different government and non-governmental departments.

8.3 Access to Finance

Banks and financial institutions offer excellent financial schemes for women entrepreneurs but there is a lack of wider awareness among women about such schemes. A re-evaluation of the way women business clients are treated might alleviate many gender-related problems experienced by women. There is a need to have large number of awareness workshops/camps in different centers to introduce financial schemes available to women and to formulate a strategy to avoid discrimination, especially in small centers. Banks should have collateral-free lending, set quotas to women entrepreneurs for lending, as well as guarantee scheme for zero-collateral lending. Safe lending should be replaced by priority lending for women.

8.4 Access to Market

Special efforts should be made to facilitate unmediated access for women to investments in human capital, to the

factors of production, to productive assets and productive markets. Marketing assistance should be developed by promoting linkages between women enterprises of various sizes, by way of legitimate subcontracting and where appropriate, franchising or other forms of inter-firm cooperation. Organizing women enterprises for export marketing should be encouraged through coordinated efforts, assisting in quality standards, and by providing information of foreign markets as well as by assisting them in overseas representation. Quota in government purchase with minimum percentage and margins in auctions to women should be given.

8.5 Access to Infrastructure and social service

Implementation of infrastructure must be accompanied by policies that encourage women to engage in income-generating activities, including education, training and extra benefits such as child care facilities. Government can set some priorities for women entrepreneurs for allocation of industrial plots, sheds and basic infrastructure/amenities. Investments in infrastructure networks and education for women should be encouraged. Implementation of infrastructure must be accompanied by policies that encourage women to engage in entrepreneurial activities. Waiver on stamp duty and registration charges for Women to create their properties should be offered.

9. Concluding Remarks

It can be said that today we are in a better position, where in women participation in the field of entrepreneurship is increasing at a considerable rate. Women sector occupies nearly 45% of the Indian population. At this juncture, effective steps are needed to provide entrepreneurial awareness, orientation and skill development programs to women. The role of Women entrepreneur in economic development is also being recognized and steps are being taken to promote women entrepreneurship. Though there are several factors contributing to the emergence of women as entrepreneurs, the sustained and coordinated effort from all dimensions would pave the way for the women moving into entrepreneurial activity thus contributing to the social and economic development of the members of the family and thereby gaining equality and equal importance for themselves.

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Author Profile



B. Parimala Devi did M. Com(NET), MBA(NET,SET),(Ph.D) is Lecturer in Commerce Institution of working K. V. R. Government college, Kurnool, Andhra Pradesh, India