



## Micro Finance- An Instrument to Encourage Women Entrepreneurship Development

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Micro Finance is growing as a powerful instrument for poverty alleviation in the new economy. A majority of the microfinance programmes has come up with the clear goal of reducing poverty and empowering women. In addition, an increasing number of microfinance institutions (MFIs) prefer women members as they believe that they are more responsible and trustworthy. Microfinance programs like the Self Help Bank Linkage Program in India have been progressively promoting for their positive economic impact and the belief that they empower women. The SHG Programme has come up with a new system of saving and lending that is group lending and liability as a way of delivering microfinance to its predominantly female members. In 1980s, microfinance programs have enhanced upon original methodologies and extended beyond conventional thinking.

Microfinance is usually understood to bring about the condition of financial services to micro-entrepreneurs and small businesses, which has less access to banking and related services due to the high transaction costs linked with assigning these client categories. It is provided with very small loans to very poor families with the purpose to help them employ in fruitful activities or care for their very small businesses. Modern concept of micro finance was originated in Bangladesh and it has successfully implemented and the result of this is that, problem of unemployment has reduced.

### Microfinance institutions generally have the following characteristics:

- To provide small loans to the rural poor for the working capital requirements.
- Nominal assessment of borrowers and investments as compared to commercial banks.
- These institutions require compulsory savings and group guarantees but no collateral security is being demanded..

### Women Entrepreneurs:

SHG has made easy to raise the skills and alertness of women. The objectives of Entrepreneurship Development programme (EDP) are to give confidence for monetary activities between the members of SHG by provided that skill training, Entrepreneurship Development, credit linkage.

### Objectives of the study

- To study the role of microfinance in empowering women.
- To study the special benefits being provided by government and other institutions for the development of women entrepreneurship.
- To study women enterprises and Small scale industrial units managed by women and its current status.

### Methodology of Study

Secondary data has been collected from the various

- Books,
- Journals,
- Research articles and
- Internet website.

### Research design used:

Descriptive research design is used in this research paper.

### Various Types of Microfinance:



Source: Prof. Mahammad, Mahammad Consulting Company

**Source: Insight on Microfinance A primer for donors and investors**

### Providers of Microfinance for Rural women Entrepreneurship



### Literature Review

In early 1970s, a major constraint on women's capability was access to credit, therefore, women's movements in a number of countries acknowledged credit as to earn an income and become more and more occupied in the degree to which poverty-focussed credit programmes and credit cooperatives were actually being used by women. Since the 1970s, in order to increase women's incomes and to take women together many women's organizations have incorporated credit and savings world-wide. A women entrepreneur is defined as "a women or group of women who initiate, Organize and run a business entrepreneur" (Kavitha et al., 2007). In India (Ramasamy, 2009) women entrepreneurship can be regarded as "necessity entrepreneurship" rather than "opportunity entrepreneurship" women generally have smaller networks and less physical mobility than men, more when the women is either young or married women who need to take care of their families. With the emergence of Women entrepreneurs, their role to the national economy is visible in India.

Various special schemes for women entrepreneurs has been put into practice by the government bodies and allied institutions are provided below.

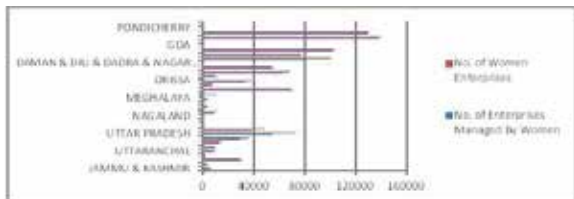
- Schemes of Ministry of MSME
- Schemes of Ministry of Women and Child Development
- Schemes of Kerala State Women's Development Corporation
- Kerala Government's Women Industries Programme
- Delhi Government's Stree Shakti Project
- Schemes of Delhi CommISlon for Women (Related to Skill devel-

- opment and training)
- Incentives to Women Entrepreneurs Scheme, 2008, Government of Goa
- Magalir Udavi Scheme, Pudhucherry Government
- Financing Schemes by Banks/ Financial Institution'

**Discussions and Findings:**

**WOMEN ENTERPRISES AND SSI UNITS MANAGED BY WOMEN**

**PARTICIPATION OF WOMEN IN MANAGEMENT/OWNERSHIP IN SSI SECTOR, STATE-WISE**

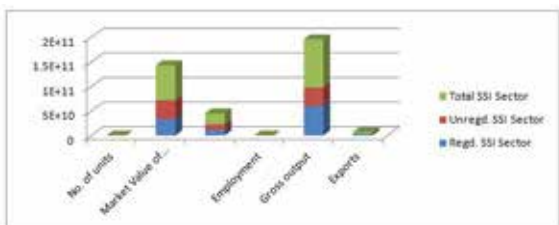


**Source: The chart is compiled by the author on the basis of statistics given in" The office of Development Commissioner (MSME), Ministry of Micro, Small & Medium Enterprises, Government of India, Wednesday, June 5, 2013"**

In All India participation of women in management/ownership in SSI sector state-wise is:

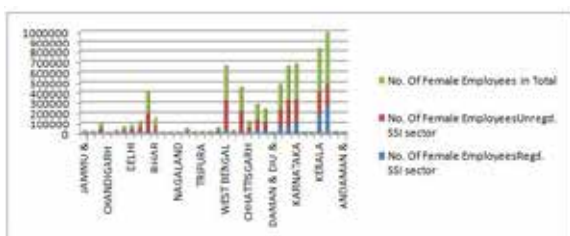
- No. Of Enterprises Managed by Women are 9951414
- No. of Women Enterprises is 1063721

**PRINCIPAL CHARACTERISTICS OF SSI UNITS MANAGED BY WOMEN**



**Source: The chart is compiled by the author on the basis of statistics given in" The office of Development Commissioner (MSME), Ministry of Micro, Small & Medium Enterprises, Government of India, Wednesday, June 5, 2013"**

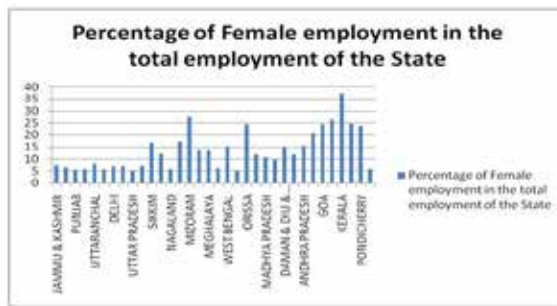
**EMPLOYMENT OF FEMALES IN SSI SECTOR, STATE-WISE**



**Source: The chart is compiled by the author on the basis of statistics given in" The office of Development Commissioner (MSME), Ministry of Micro, Small & Medium**

**Enterprises, Government of India, Wednesday, June 5, 2013"**

**PERCENTAGE OF FEMALE EMPLOYMENT IN THE TOTAL EMPLOYMENT OF THE STATE**



**Source: The chart is compiled by the author on the basis of statistics given in" The office of Development Commissioner (MSME), Ministry of Micro, Small & Medium Enterprises, Government of India, Wednesday, June 5, 2013"**

**Suggestions**

- MFIs should include various constraints, like the share of women clients in the loan and savings portfolio, into client watch and evaluation methods.
- Government should provide separate financial funds for women's entrepreneur with special benefits, subsidy, and lower interest rate on loans.
- Non-financial services with different conditions to credit access, like well designed women literacy and business training programmes, can help women's access to better jobs and income-generating opportunities and possibly the most effective means of promoting women entrepreneurship.
- Special training programmes for women entrepreneurship should be organized by government and different Non government organizations.
- Government should organize trade fairs to promote the work of women entrepreneurs in the rural areas.

**Conclusion**

In Today's context we are in an enhanced position where women contribution in the field of entrepreneurship is increasing at a noteworthy rate. Efforts are being taken at the economy for laws which has guaranteed equal rights of contribution in political process and equal chances and rights in education and employment. In spite of this there are few lacking parameters which needs to be addressed soon. Short-term assistance programmes should be focussed which aims at increasing the productivity of women's labour by providing credit, technology, and skill training. Micro finance programmes should offer women with detailed tailored products through suitable methods, which can propose competitiveness to their business and their families.

This article has been authored by Ms. Charu Modi, Assistant Professor, Faculty of Management Jeev Sewa Sansthan group of Institutions for Women faculty of Management, Bhopal

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