



Overcoming The Gender Gap - Role Of Govt in Empowering Women Entrepreneurs

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ABSTRACT

"When women moves forward, the family moves, the village moves, and the nation moves forward" Greater gender equality and a more efficient use of skills are essential for achieving strong and sustainable growth. Gender equality is also a key driver in self-reported well-being and happiness across the world. There is a gender gap in entrepreneurial success and only 35% of small businesses are owned by women in India. In fact, early in the start-up process, women are taking fewer steps to position themselves to start high-growth companies. Women Entrepreneurship represents a vast untapped source of innovation, job creation and economic growth in the developing world. The barriers to women entrepreneurship are many: women face greater obstacles in accessing credit, training, networks and information, as well as legal and policy constraints. So it became imperative for the Government to extend support for the entry and development of women entrepreneurs. In this context the present paper focus on the initiatives taken by Indian Government, Framework of basic supporting institutions, suggestions and conclusion.

KEYWORDS :

Eradication of poverty continues to be the biggest challenge of many nations across the globe including developing nation like India. If empowered, women can play a bigger role in eradicating poverty and making the life of the family and society better. Women today are more willing to take up activities that were once considered the preserve of men, and have proved that they are second to none in regard to contribution to the luxuriant efflorescence of the economy. Women entrepreneurship must be moulded properly with entrepreneurial traits and skills to meet the changes in trends, challenges of global markets and also be competent enough to sustain and strive for excellence in the entrepreneurial arena.

It is well known that women's creative power is far more benign and far more uplifting than men. Their capacity to face odds, their ability to find solutions to problems of daily life, their caring and co-operative approach to others, and their interesting management capabilities are highly commendable. Even an illiterate woman works as a good manager, when it comes to managing her meagre household budget despite all constraints. So when women create material value through their economic activities, they also add to the social and moral values of life. These are the great qualities that have made women the main carriers of culture and the main sustaining force of civilization.

The Government has identified the need for the participation of women for the growth of the economy and so adopted various schemes and programs for their participation in economic activities. The Indian society is shifting from conservative attitude to progressive attitude. So, women are getting more opportunities not only in entrepreneurial work but also in other domains of human life. If women entrepreneurs get support and encouragement from family, society, Government and financial institutions, such positive effort can open new avenues for them and increase the marketability and profitability of business owned by them. If the problems of women entrepreneurs are addressed properly, they can emerge as very successful entrepreneurs far better than men entrepreneurs.

INITIATIVES TAKEN BY THE INDIAN GOVERNMENT

The growth and development of women entrepreneurs required to be accelerated because development of the country is not possible without the participation of women. Therefore, a congenial environment is needed to be created to enable women to participate actively in the entrepreneurial activities. There is a need of Government, non-Government, promotional and regulatory agencies to come forward and play the supportive role in promoting the women entrepreneur in India.

The Government of India has also formulated various training and de-

velopment cum employment generations programs for the women to start their ventures. These programmes are as follows:

1. TRADE RELATED ENTREPRENEURSHIP ASSISTANCE AND DEVELOPMENT SCHEME FOR WOMEN (TREAD)

With a view to encourage women in setting up their own ventures, government implemented a Scheme, namely, "Trade Related Entrepreneurship Assistance and Development" (TREAD) during the 11th Plan. The scheme envisages economic empowerment of women through the development of their entrepreneurial skills in non-far-mactivities. There are three major components of the scheme;

- (i) Government of India (GoI) grants upto 30% of the total project cost to the Non-Government Organizations (NGOs) for promoting entrepreneurship among women. The remaining 70% of the project cost is financed by the lending agency as loan for undertaking activities as envisaged in the project.
- (ii) GoI grants upto Rs.1 lakh per programme to training institutions / NGOs for imparting training to the women entrepreneurs, subject to these institutions/NGOs bring their share to the extent of minimum 25% of GoI grant.
- (iii) GoI grants upto Rs.5 lakh to National Entrepreneurship Development Institutions and any other institutions of repute for undertaking field surveys, research studies, evaluation studies, designing of training modules etc. for developing women entrepreneurs.

2. MICRO & SMALL ENTERPRISES CLUSTER DEVELOPMENT PROGRAMME(MSE-CDP)

A cluster is defined as a group of enterprises, ideally having 100 members, producing same/similar products/services. While 100 members could be the minimum per cluster, depending on the density of population and other factors, even 200-300 could be a good target group for undertaking Diagnostic Study and the subsequent Soft Interventions in a cluster. However, in difficult and backward regions the target numbers could come down to 50 or less but it should not be too small as a lot of Government expenditure is made per cluster. The Cluster Development Programme (CDP) being implemented envisages diagnostic study of identified clusters of traditional skill-based MSEs to identify appropriate technologies and their providers and to facilitate adoption of available technology meeting the specific needs of the end users. The Cluster Development aims at enhanced competitiveness, technology improvement, adoption of best manufacturing practices, marketing of products, employment generation etc. The scheme provides assistance for capacity building, common facilities, marketing etc. the delivery, assimilation and diffusion of the identified technology from its producers to the recipient user/cluster of small enterprises. There are two types of interventions

Soft Interventions– Helps in capacity building activities in the cluster where no fixed assets is acquired or formed. Soft interventions, inter alia, includes Diagnostic study, Organizing workshops, seminars, Training& Exposure visits, Market development, Launch of Website etc.

Hard Interventions– Hard interventions, inter alia, include Setting up of Common Facility Centre (CFCs), Mini Tool Room, Testing Facilities, R&D Centre etc.

In case of the hard intervention the contribution from the M/o MSME varies between 30-80% of the total project cost, but in the case of clusters owned and managed by women entrepreneurs, contribution of the M/o MSME could be upto 90% of the project cost.

3. CREDIT GUARANTEE FUND SCHEME FOR MICRO AND SMALL ENTERPRISES

The Scheme was launched in August 2000 to ensure better flow of credit to micro and small enterprises by minimizing the risk perception of financial institutions and banks in lending without collateral security. Under the scheme, guarantee cover is provided to collateral free credit facility extended by member lending institutions (MLIs) to the new as well as existing micro and small enterprises on loans up to Rs.50 lakh. The guarantee cover available is up to 75% of the loans extended. The extent of guarantee cover is 80% for MSEs operated and/or owned by women.

4. SUPPORT FOR ENTREPRENEURIAL AND MANAGERIAL DEVELOPMENT

MSME-DIs regularly organize a number of Entrepreneurship Skill Development Programme (ESDPs)/ Entrepreneurship Development Programme (EDPs)/ Management Development Programmes (MDPs) to train the potential entrepreneurs in improving their techno/managerial knowledge and skill with a view to facilitating them to start MSEs in various fields. Many of the programmes are tailor made for the target group for SC, ST, OBC, minorities and other weaker sections and **exclusively for women also**. These programmes are also called "Out-reach Programmes" as they are conducted in rural / less developed areas.

5. EXHIBITIONS FOR WOMEN UNDER PROMOTIONAL PACKAGE FOR MICRO & SMALL ENTERPRISES APPROVED BY CCEA UNDER MARKETING SUPPORT

DC (MSME) has formulated a scheme for women entrepreneurs to encourage Small & Micro manufacturing units owned by women and register in DI/DIC in their efforts at tapping and developing overseas markets, to increase participation of representatives of small/micro manufacturing enterprises under MSME stall at International Trade Fairs/Exhibitions, to enhance export from such units. Under this scheme, participation of women entrepreneurs in 25 international exhibitions is envisaged during the 11th Plan (2007-2012). With a view to encourage women entrepreneurs to participate in the International Exhibitions under MDA (Marketing Development Assistance) scheme it has been decided to provide rent free space (6/9 Sq mts) in the exhibitions.

6. NEW ENTREPRENEUR -CUM- ENTERPRISE DEVELOPMENT SCHEME (NEEDS)

The scheme aims to provide training to young first generation entrepreneurs in conceiving, planning, initiating and launching a manufacturing or service enterprise successfully. On successful completion of the training program, they will be assisted to get term loan from Banks / Tamil Nadu Industrial Investment Corporation Limited (TIIC) to setup manufacturing or service enterprises with margin money assistance. Around 1,000 entrepreneurs will be trained each year under this scheme. Under this scheme, at least 50% of the beneficiaries will be women.

7. NABARD

Women in India form half of the population in the country and 75% of them reside in rural areas. Recognising the need for capacity building of these rural women for taking up income generation activities, NABARD has adopted multi-pronged strategies for addressing various constraints that come in the way of success of women entrepreneurs and has introduced women specific programs with the objective of addressing the gender issues in credit dispensation and support services. These include

a) WOMEN DEVELOPMENT CELL (WDC)

In order to mainstream gender development in banking and to focus attention towards coverage of women by banks, NABARD has been supporting setting up of Women Development Cells (WDCs) in Regional Rural Banks And Co-Operative Banks.

b) ASSISTANCE TO RURAL WOMEN IN NON-FARM DEVELOPMENT (ARWIND)

Under ARWIND, financial assistance is provided by NABARD to NGOs, Women Development Corporations, Co-operative Societies etc., for taking up various aspects of capacity building needs of women for promotion of women entrepreneurship. The assistance is available for activities like training for skill development, skill up gradation, enterprise management skills quality control etc.

c) ASSISTANCE FOR MARKETING OF NON-FARM PRODUCTS OF RURAL WOMEN

Recognising the importance of marketing as a crucial link for women entrepreneurs, NABARD supports various initiatives for promotion of marketing of products by rural women under its MAHIMA scheme. The assistance is available for various aspects related to marketing like market survey, capacity building including training programs on marketing quality control, technology up gradation, branding, labelling, preparation of catalogues etc.

d) DEVELOPMENT OF WOMEN THROUGH AREA PROGRAMME (DEWTA)

Mainstreaming women in economic activities is considered crucial for bringing about gender balance in the development. It was felt that an area-based approach to address area-specific problems, issues and promoting women specific activities and clusters, was needed to be adopted. NABARD has introduced DEWTA for women to resolve all these problems.

BASIC SUPPORT INSTITUTIONAL FRAMEWORK

Entrepreneurs should also have knowledge on potential sources of information about the support institutions for the promotion of SMEs. Important agencies for information on procedures and formalities include the District Industries Centres (DICs), Directorate / Commissioner of Industries, State Financial Corporation's (SFCs), Technical consultancy Organizations (TCOs) and agencies including Entrepreneurship Development Programmes such as State Level and National Level Entrepreneurship Development Institutions and Non-Government Organizations (NGOs).

Apart from these most important institutions there are some other institutions the knowledge of which would be helpful to the women entrepreneur are **National Small Industries Corporation Ltd (NSIC)** provides integrated technology, marketing and financial support to the small scale sector, **Small Industries Development Organization (SIDO)** functions as nodal development agency for small industries, **Export Credit Guarantee Corporation of India Limited (ECGC)** covers the risk of exporting on credit and also provides information on creditworthiness/ credit ratings of overseas buyers and various countries, **Credit status information agencies abroad Dun & Bradstreet (D& B)** is one of the world's leading providers of business information with information on more than 66 million companies worldwide – for credit, marketing and purchasing decisions, **Small Industries Development Bank of India (SIDBI)** is the principal financial institution for the promotion, financing and development of industry in the small-scale sector, **India Trade Promotion Organization (ITPO)** is the nodal agency of the Government of India for promoting the country's external trade and organizes fairs and exhibitions in India and abroad, Buyer-seller Meets, Contact Promotion Programmes, Product Promotion Programmes etc., **Export- Import Bank of India (EXIM Bank)** is setup for the purpose of financing, facilitating and promoting foreign trade of India.

Thus to bridge the gap between aspirations of potential women entrepreneurs and the ground realities, these institutions give support and nurture the potential first generation entrepreneurs by giving them hand – holding support during the initial stages of setting up and managing their enterprises.

SUGGESTIONS AND CONCLUSION

India is a male dominated society and women are assumed to be eco-

nomically as well as socially dependent on male members. Women entrepreneurs are facing many problems like lack of education, social barriers, legal formalities, high cost of production, male dominated society, limited managerial ability, lack of self confidence etc. Hence appropriate support and encouragement from the society, family, government should be provided to make these women entrepreneur a part of mainstream of national economy and they can contribute to the progress of India. Following efforts can be taken into account for effective development of women entrepreneurs.

- Vocational training to be extended to women community that enables them to understand the production process and production management.
- State finance corporations and financing institutions should permit by statute to extend purely trade related finance to women entrepreneurs.
- The financial institutions should provide more working capital assistance both for small scale venture and large scale ventures.
- Making provision of micro credit system and enterprise credit system to the women entrepreneurs at local level.

- Industrial estates could also provide marketing outlets for the display and sale of products made by women.
- A Women Entrepreneur's Guidance Cell may be set up to handle the various problems of women entrepreneurs all over the state.
- More governmental schemes to motivate women entrepreneurs to engage in small scale and large-scale business ventures.
- Involvement of Non Governmental Organizations in women entrepreneurial training programmes and counselling.
- Training on professional competence and leadership skill to be extended to women entrepreneurs.
- Adequate training programme on management skills to be provided to women community.
- Better educational facilities and schemes should be extended to women folk from government part.

Today women are generating employment not only for themselves in the organized and unorganized sector, but also they are providing employment to others. So Government should encourage promoting women's economic empowerment which will be driving force behind the economic growth and the fight against Poverty.

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