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**AN ANALYSIS UPON GOVERNMENT POLICIES  
AND INSTITUTIONAL SUPPORTS OF WOMEN  
ENTREPRENEURSHIP DEVELOPMENT:  
SUCSESSES AND CHALLENGES**

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# An Analysis upon Government Policies and Institutional Supports of Women Entrepreneurship Development: Successes and Challenges

Rachna Bidwal<sup>1</sup> Dr. Rameshwar Soni<sup>2</sup> Dr. B. L. Patidar<sup>3</sup>

<sup>1</sup>Research Scholar

<sup>2</sup>HOD in Commerce Department

<sup>3</sup>Lecturer Professor

**Abstract – Women's entrepreneurship is important for women's position in society, and for economic development of a country. Many scholars pointed out that women faces diverse challenges in doing business in a patriarchal. Women are now involved in economic activities than in the past, women constitute around 10 percent of the country's total business entrepreneurs. The present study is an effort to find out the factors which act as pull and push factors to engage women in entrepreneurship development in India. In this study mixed method approach has been chosen. To attain the objective of the research researchers relied solely on the secondary sources. The study revealed that Government agencies provide policy, legal and financial support with active support from non-State actors. On the contrary, they do not get proper support from all relevant institutions because of corruption and lack of information. It is suggested that combined initiatives of Government and nongovernment institutions will be successful in meeting the needs of business women in India.**

**Entrepreneurship among women has been a matter of recent concern in the country. The hidden entrepreneurial potential of women has gradually been changing with the sensitivity to their role and economic status in the society. Women are increasingly being conscious of their existence, their rights, and work situation. However, New Industrial policy of 2009-14 and other schemes which are started post and recent are helping to the poor women and women entrepreneurs in the form of generation of employment, income and to improve their social status. Definitely, the socio-economic conditions of women entrepreneurs would improve, if these schemes, programmes and policies are implemented strictly both by the Centre and the State governments and it goes a long way for the growth and development of women, women entrepreneurs and the industrial sector of the Indian economy.**

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## INTRODUCTION

Women in India face many challenges in doing business when their traditional roles make them responsible for preparing food to feed their families and supplying household needs. The opportunity to expand their work beyond a household level or develop other kinds of businesses is often hindered because of the dominance of patriarchy. Also, they do not get the same access to training, services, equipment, and financing as men. Women are also often constrained by laws or social discrimination that prevent them from owning property, borrowing money, and gaining access to land and natural resources. Despite these obstacles, many women are involved in

income-generating activities, particularly small-scale business activities. Recently, that an increasing trend has been found in the involvement of women in small business is well- recognized. In this paper, we would like to identify the factors, with special attention to policy- and institution-related factors, which play important roles in the progress of women in small enterprise development in India.

Women's entrepreneurship is important for women's position in society, and for the economic development of a country. It opens up new avenues for creating employment opportunities for women and men. Increased participation of women in the labour force is considered a prerequisite for improving the position

of women in society because women can begin to contribute economically in their families, From the broader perspective, empowering women in economic activity is essential for building just societies, for achieving internationally-settled targets for development, sustainability and human rights; and for improving the quality of life for women, men, families and communities (ILO, 2007)

Women entrepreneurs occupy an important position in the industrial economy of the country because of low investment requirement, high potential for gainful employment generation and wider dispersal of industries in rural and urban areas. The economic development of advanced countries of the world has been attributed to the growth of women entrepreneurs. In advanced countries the majority of small enterprises have been managed by women. Women entrepreneurs represent nearly 40 per cent of all entrepreneurs in the United States and employ approximately 27.5 million people (NFWBO 2001). There are over five million women entrepreneurs constituting one fourth of all entrepreneurs in China.

Keeping the experience of Western economies in mind, the Government of India has set up various institutions to promote women entrepreneurial activities. They offer a wide range of incentives measures to women entrepreneur for providing an impetus to industrialization. In India there are a number of institutions established for the development of women entrepreneurship, namely, National Institute for Entrepreneurship and Small Business Development (NIESBUD), Entrepreneurship Development Institute of India (EDII), National Bank for Agriculture and Rural Development (NABARD), Federation of Indian Women Entrepreneur (FASME), and World Assembly of Small and Medium Entrepreneur (WASME), District Financial Institutions (DFI) in general and Small Industries Development of Bank of India (SIDBI), etc. SIDBI has schemes to develop effective linkage with many leading national and international agencies to pursue promotional and developmental activities of SSI units.

Entrepreneurship among women has been a matter of recent concern in the country. The hidden entrepreneurial potential of women has gradually been changing with the sensitivity to their role and economic status in the society. Women are increasingly being conscious of their existence, their rights, and work situation. However, the position of women work participation as well as both is low in India in comparison to selected counties of the world. Women work participation in India is 31.6 Per cent where as in USA it is 45 per cent, UK 43 Per cent, Canada 42 per cent, France 32 per cent, Indonesia 40 per cent Sri Lanka and Brazil both 35 per cent. Table-1 refers women entrepreneurship position in the selected states of India is 30 per cent on an average, but in Bihar it is only 15.04 per cent. Further, in India, men generally take the lead in the entrepreneurial world. With the change of time as well as cultural norms, and

increase in literacy, women are increasingly ready to enter the field of entrepreneurship.

State	No. of Units	N+o of women	percent
Tamil Nadu	9618	2930	30.36
Uttar Pradesh	7980	3180	39.84
Kerala	5487	2135	38.91
Punjab	4791	1618	33.77
Maharashtra	4339	1394	32.12
Gujarat	3872	1538	39.72
Karnataka	3822	1026	26.84
Madhya Pradesh	2967	842	28.38
Behar	7344	1123	15.04
Other sates	14576	4185	28.71
Total	64,796	19,971	32.82

**Table-1. Women Entrepreneurship in India**

Since the 1970's, ushering in the decade of the international women's Year, systematic efforts have been made by the governments to promote self-employment among women. Although women constitute about 48.3 per cent of the total population of the India, so far, only a small minority of they have benefited from social legislation, new education and job opportunities. It is only when the process of development reaches out to all section of the masses that the independent women will cease to be regarded as an oddity and find her place in society. However, women entrepreneurs should be regarded as individuals who take up roles in which they would want to adjust their personal needs, family life, social life and economic performance.

Women development was not distinguished as an identified sector in the initial years of planning in India. It was only during the VI th Plan, which began in 1980, that the magnitude of women's problems was perceived and the need to make special efforts for the economic development of women recognized. In the VII th Plan (1985-90) there was a definite shift in focus from the welfare concept to development concept in programming for women, this ushering in a new thrust for the development of women.

In the recent years Governments take so much of interest on development of new women entrepreneurs through training; at present most of the states are involved in WED (Women Entrepreneurship Development) Programming, and SEP/IGP (Self-employment & income generation Programme), Supporting facilities like infrastructure, finance and training are quite favorable. There are a number of schemes and policies for encouraging women to become successful entrepreneurs. When the UN declared 1975 as the International Women's Year, the approach to women entrepreneurs began to change and the government announced various schemes to brining women out from the household chores into the mainstream of industries.

During 1975-78, the number of industrial units run by women was only 73. Thereafter, it has registered a steady growth every year. While during 1986-87 it was 1143, within 6 years it has risen to 4190. This indicates a proof of the changing attitude of government agencies towards women. Women entrepreneurship is being given institutional support by types of agencies- One at the national level and the other at the state level.

## **NATIONAL LEVEL INSTITUTIONS**

Governments at the Centre as well as at the State designed a number of schemes and programmes for the support of entrepreneurs in general and for women entrepreneurs in particular. The schemes of the government of India support for Training and Employment Programme (STEP), Development of Women and Children in Rural Areas (DWCA), Integrated Rural Development Programme (IRDP) and Training of Rural Youth for Self Employment (TRYSEM), Jawahar Rozgar Yojana (JRY) are providing their help for the development of women entrepreneurs. Another scheme, called the Trade-Related Entrepreneurship Assistance and Development (TREAD) and Indira Mahila Yojana (IMY) are useful for the holistic empowerment of women. In spite of several schemes/programmes established by the governments, women have no sufficient securities to offer or to take large amount of loans. To tackle this situation and to ensure adequate financial support to women enterprises, the RBI took several initiatives.

## **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:

**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.

**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.

**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.

**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.

## **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.

**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.

**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.

**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.

**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.

**National Bank for Agriculture and Rural Development (NABARD)** - NABARD is an autonomous financial institution which provides liberal credit to rural women entrepreneurs.

**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.

### NEED FOR THE STUDY

Do all these Centre and State level development agencies contribute to the women entrepreneurship development? The agencies established are expected to create positive climate for the orderly growth of women entrepreneurship should nurture them and make them flourish. Facilities like industrial plots and sheds, finance at affordable rates, training, marketing arrangement etc, need to be provided. The present study aims to identify the availability of institutional support in the district of Dharwad by eliciting the views of a select number of women entrepreneurs.

The women entrepreneurship can be expected to play a significant role in the economic development and in social progress of the district. The institutional mechanism needs to be "harbingers of women entrepreneurship" and ensure their orderly growth. In view this, it felt the necessity of evaluating the extent to which the institutional and State mechanisms have helped the women entrepreneurs in the area to become successful entrepreneurs.

### CONCLUSION

Women entrepreneurs are very important segment in the economic development at local to global levels. Economic independence and education of women will go a long way in attaining self-reliance for women. But unfortunately, the government sponsored development activities have benefited only a small section of women and also information gap largely affects women's development.

Therefore, the government and non-government should take initiative to make women aware and motivate them towards entrepreneurship. At the same time, efforts may be made by the authorities to solve these problems and suitable steps taken to provide the needful assistance. Such measures strengthen the movement of women entrepreneurs.

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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