

A study on government schemes for women entrepreneurship in India

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ABSTRACT

The government schemes for women entrepreneurship had been analyzed in this paper. The mode of finance for women towards entrepreneurship is explained by taking secondary data from 6th Economic Census. The results of this study had revealed that majority of women with strong financial background are entering into entrepreneurship. The source of finance for women entrepreneurs of selected five states which are Andhra Pradesh, Telangana State, Kerala, Tamil Nadu and Karnataka had been analyzed in this paper.

1. Introduction

“To me a woman who is financially independent is very powerful. She has the ability to say yes and strength to say no”

– Caroline Fernandes, Founder of Vibha

Women entrepreneurship is essential for development of family, society and economy at large. The productivity of nations with more women entrepreneurs is high because it adds value in many ways. Government of India had launched many schemes for motivation women to undertake entrepreneurship. In recent years many women entrepreneurs had achieved a lot and enhanced the productivity of nation.

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. Governments across the world as well as various developmental organizations are actively undertaking promotion of women entrepreneurs through various schemes, incentives and promotional measures. In this paper the source of finance for women entrepreneurs and various schemes for women entrepreneurs are detailed .

2. Research objectives

1. To know about various schemes supporting women entrepreneurship in India.
2. To know various sources of finance for women entrepreneurship from selected states.

3. Literature Review

Goyal and Parkash (2011) had explained about slow progress of Indian women towards entrepreneurship and about various government initiatives for development of women entrepreneurs in India. Women entrepreneurs can be referred as women who hold at least 51 percent of stake in organization established by them. Some of the factors which positively influence women entrepreneurs are support by family, need for additional income, innovative thinking and social identity. Work

life balance and more emphasis on family ties are primary causes for slow progress of women entrepreneurs in India.

According to Datta and Gailey (2012) had described the case study of women co-operatives which had encouraged women entrepreneurs. The social inclusion and women empowerments have become the benefits if women co-operatives and it given economic security and increased contribution to their family. India had achieved level of gender parity by 2011 with support of government policies for women entrepreneurship (Ghani et al, 2014).

The social status of women has also an impact on their fortune to become women entrepreneur. There is also significant impact of case of women to undergo entrepreneurial training (Field et al, 2010). According to Torri and Martinez (2014) had described case study of Gram Mooligai Company Limited from the perspective of women entrepreneurs leadership skills and social learning skills. Sharma et al (2012) had explained that many micro-enterprises are handled by women entrepreneurs in developing countries. Some of the reasons for motivating women to become entrepreneurs are personal motivation, socio-cultural factors, availability of finance, government schemes and opportunistic business environment.

According to Sharma (2013) the liberalization, globalization and privatization which had begun from 1990s had increased potential for women entrepreneurship in India. The educational facilities and vocational training programs benefit women to become entrepreneurs. Mathew and Panchanatham (2011) stated that work-life balance of women entrepreneurs is influenced by factors like quality of health, dependent care issues, lack of social support and time management.

Kumari et al (2010) had conducted a survey in Rajasthan and stated that lack of financial support and marketing problems are primary issues for women entrepreneurs. The facilities like education and training are essential to avoid aforesaid issues. Entrepreneurial orientation among women is positively influenced by factors like pull factors, problem factors, social support and satisfaction. Women entrepreneurs

are motivated because of high potential for income through entrepreneurship (Jyothi et al, 2011).

4. Research Methodology

Secondary data from reputed websites had been procured for this study. The 6th Economic Census data had been

procured through internet. The other sources of data are journals, books, magazines and news paper articles. The secondary data had been analyzed by using Ms-Excel software. The bar charts have been used for pictorial representation of the data.

5. Government Schemes

Table 1: List of selected schemes in India for encouragement of women entrepreneurship

S.No	Scheme/ Institution	Funding Limit (INR)	Repayment Period
1	Bharatiya Mahila Banks through Credit Guarantee Fund Trust for Micro and Small Enterprises (CGFTMSE)	Up to 20 Crores	Within 7 Years
2	Annapurna Scheme	50,000	Within 3 Years
3	Stree Shakti through Entrepreneurship Development Programmees (EDPs)	Up to 50 Lakhs	Approximately 3 Years
4	Orient Mahila Vikas Yojana Scheme by Oriental Bank of Commerce	Up to 25 Lakhs	Within 7 Years
5	Dena Shakti Scheme	Up to 25 Lakhs	-----
6	Udyogini Scheme	Up to 1 Lakh	-----
7	Cent Kalyini Scheme by Central Bank of India	Up to 100 Lakhs	-----
8	Mahila Udyam Nidhi Scheme	Up to 10 Lakhs	Within 10 Years
9	Mudra Yojana Scheme for Women	Up to 50 Lakhs	-----

(Source: Compiled by researchers for this study)

Table 2: Establishments by women entrepreneurs of select states

S. No	State	Self Finance	Financial Assistance from Government	Borrowing from Financial Institutions	Borrowing from Non-financial Institutions/ Money Ledners	Loan from Self-Help Groups	Donations / Transfers from other Agencies	Total
1	Andhra Pradesh	663439	20470	8562	8573	36434	112434	849912
2	Telangana	2860801	7879	4239	2418	6544	49325	356486
3	Tamil Nadu	881274	26046	4868	4766	4558	166097	1087609
4	Karnataka	464768	17513	7363	2956	8994	44212	545806
5	Kerala	864223	9939	13471	2780	6897	16607	913917

(Source: 6th Economic Census (2013-14) , Ministry of Statistics & Programme Implementation)

The government had been encouraging women to undertake entrepreneurship by supporting them through numerous schemes. Some of the popular schemes are compiled in Table 1. The microfinance institutions, banks and self-finance are the major sources of financial resources for

seed capital. Women entrepreneurs are encouraged by both state level and central level schemes. The total establishments of women entrepreneurs are compiled for five selected states and they can they belong to southern part of India.

Figure 1: Establishments through self-finance

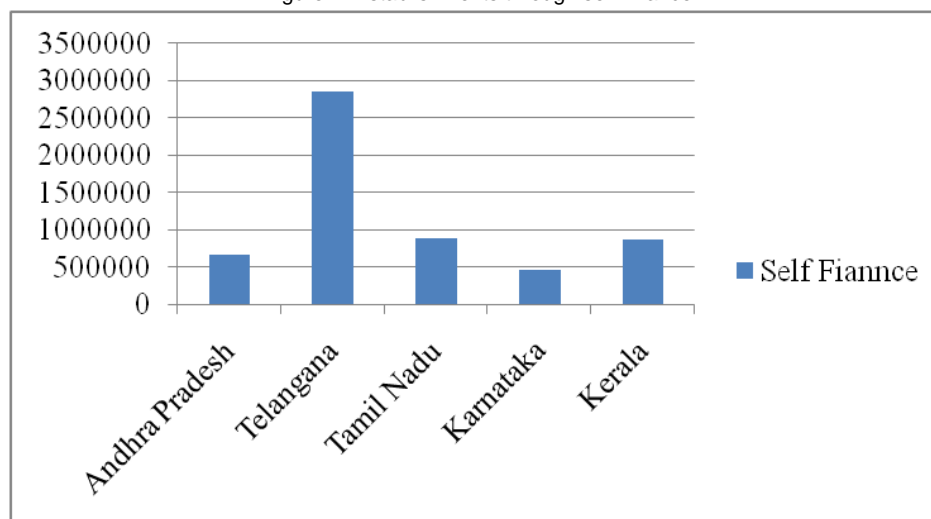


Figure 2: Establishing through support from government

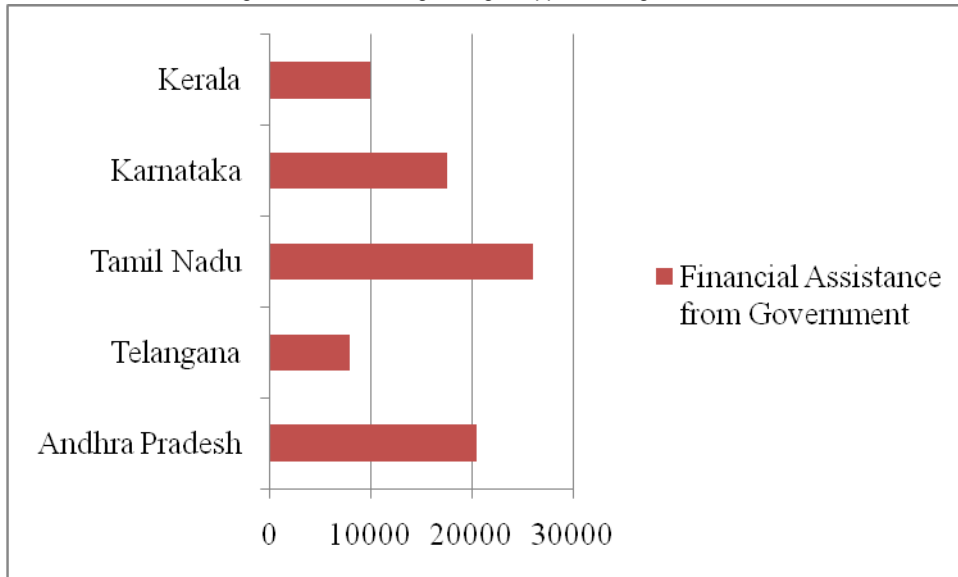


Figure 3: Women entrepreneurs taking support from financial institutions

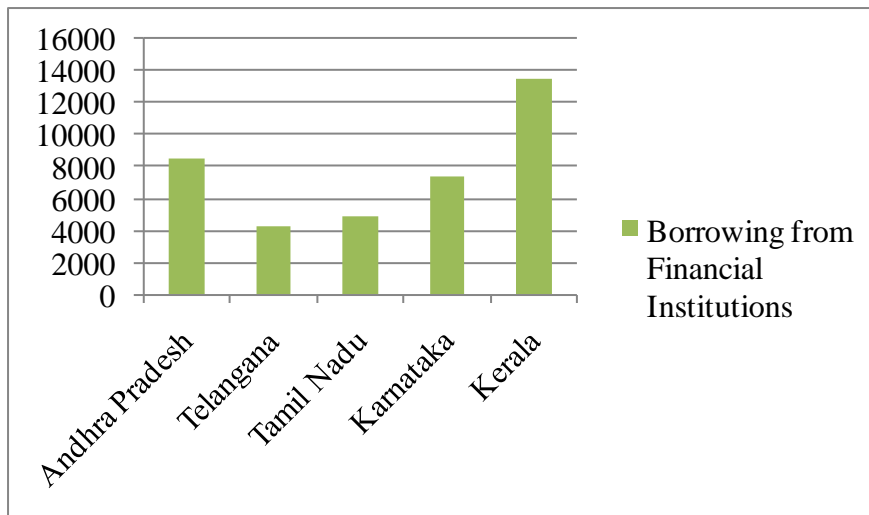
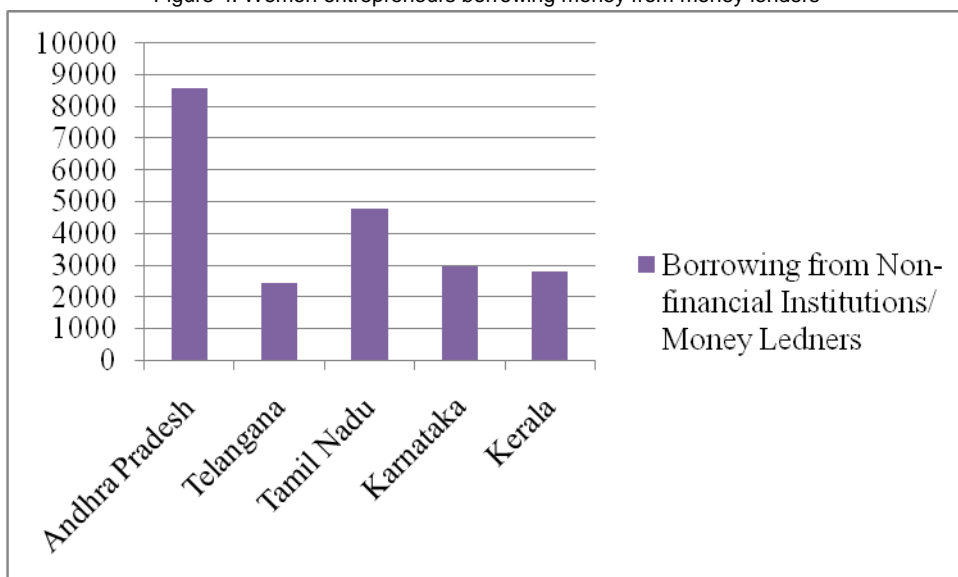


Figure 4: Women entrepreneurs borrowing money from money lenders



Interpretation

It is evident from Table 1 that women entrepreneurs in Telangana are using self-finance for establishments. The government assistance is being fully utilized by women entrepreneurs in Tamil Nadu according to Table 2. In Kerala highest numbers of women entrepreneurs are taking support

from financial institutions according to Table 3. It is observed that most of the women entrepreneurs are taking loans from money lenders or from non-financial institutions in Andhra Pradesh. From Table 5, Table 6, Table 7, Table 8 and Table 9 it is found that self-finance is source in all the five states.

Figure 5: Sources of finance for women entrepreneurs in Andhra Pradesh

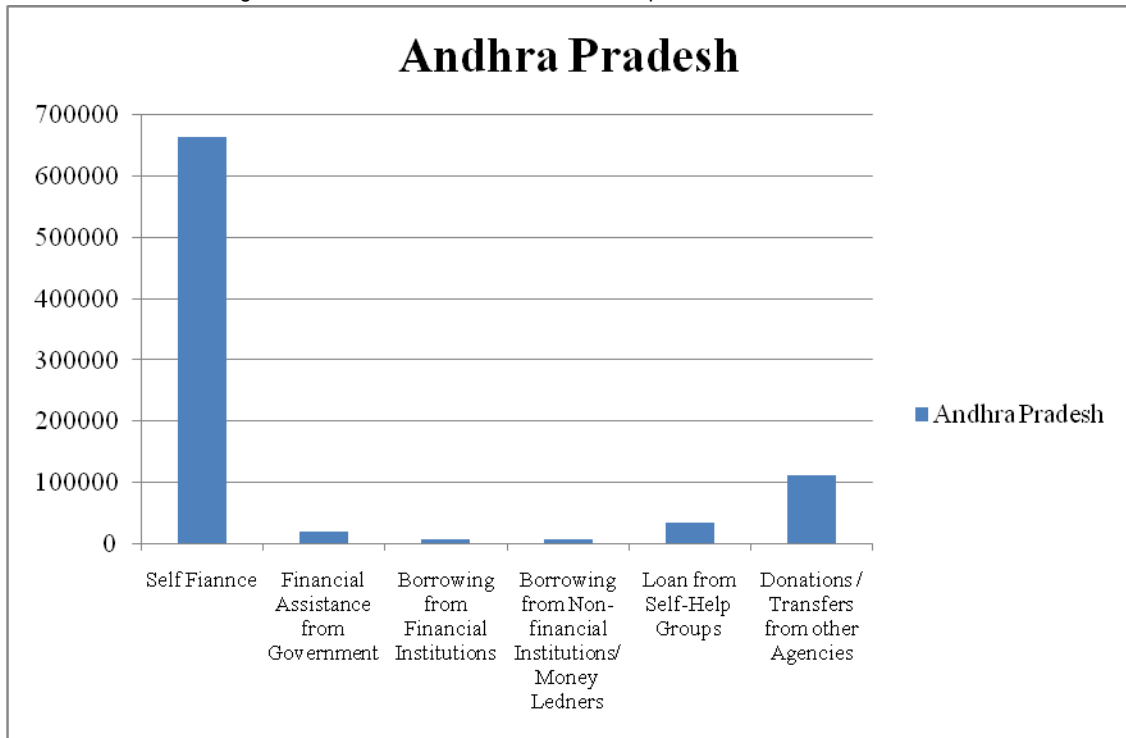


Figure 6: Sources of finance for women entrepreneurs in Telangana

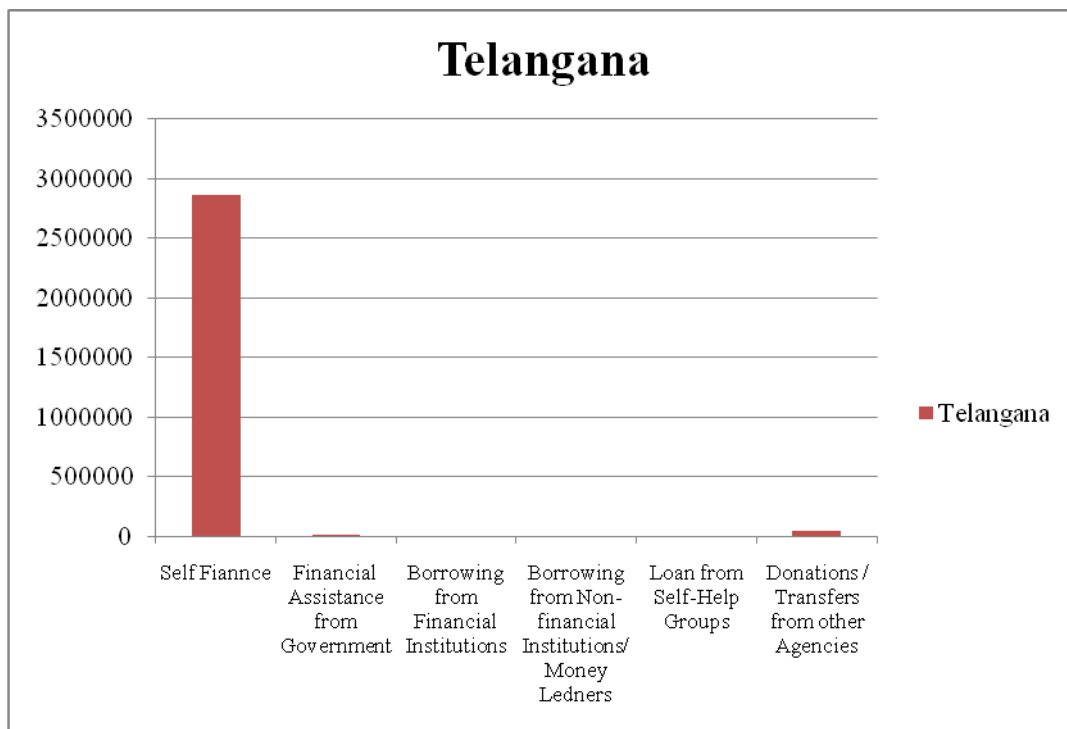


Figure 7: Sources of finance for women entrepreneurs in Tamil Nadu

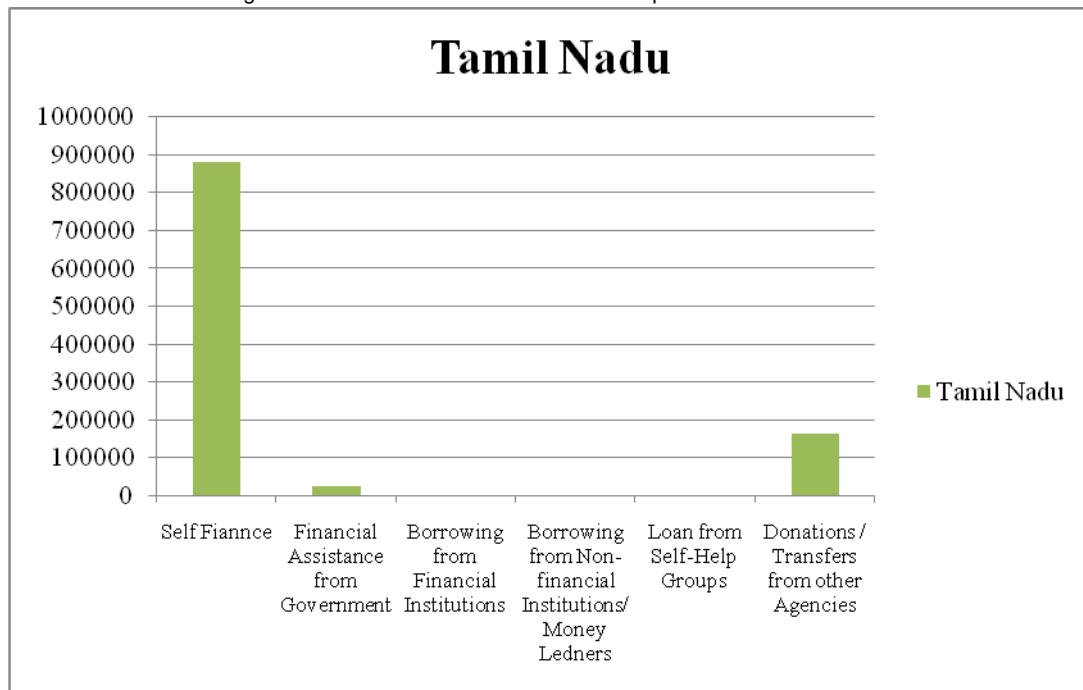


Figure 8: Sources of finance for women entrepreneurs in Karnataka

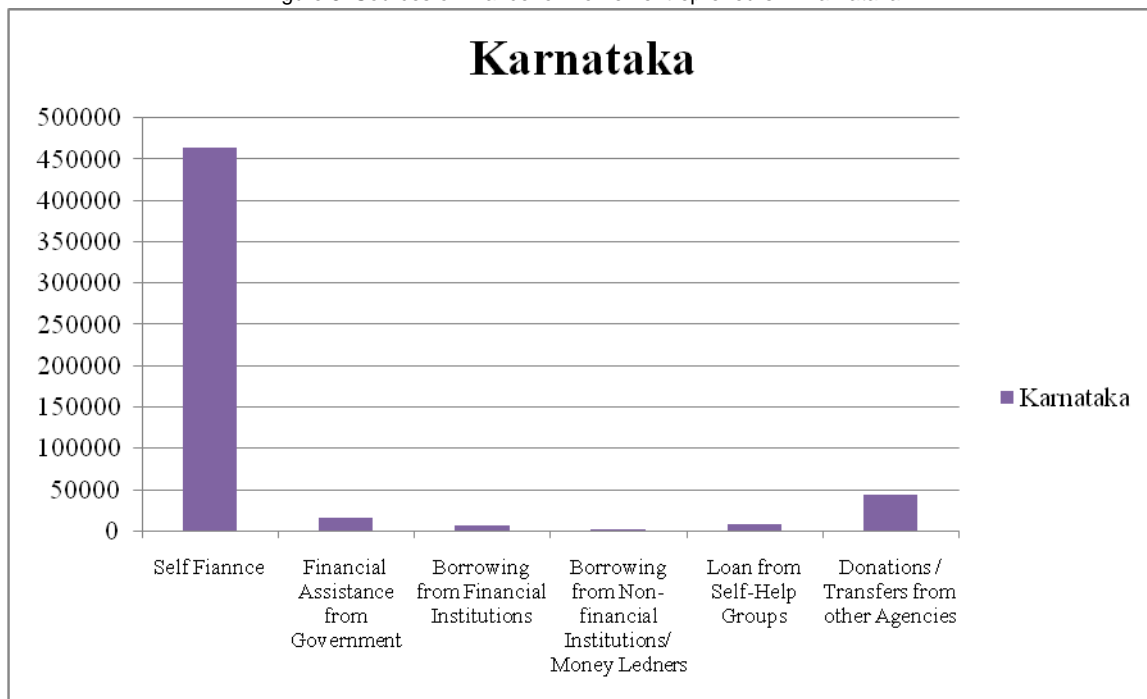
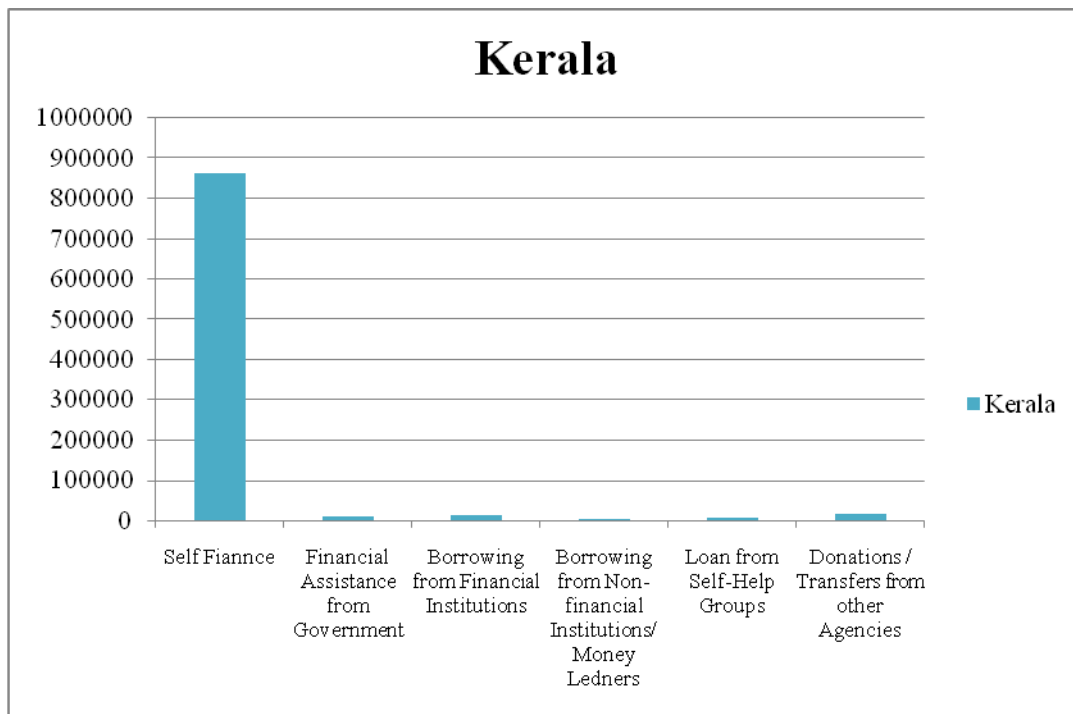


Figure 9: Sources of finance for women entrepreneurs in Kerala



6. Discussion and Conclusion

It is evident that women entrepreneurs are using self-finance option for establishment of organizations. But overall in Telangana State majority are using self-finance option when compared with other countries. After self-finance donations and transfer from other agencies is second option for majority of women entrepreneurs. In Andhra Pradesh majority of people are using donations when compared with other four states.

Hence there must be much attractive schemes so that women entrepreneurs can access loans from financial institutions rather than self-finance. The terms and conditions for loans might be reduced so that government schemes get more attractive than self-finance mode. It can be also concluded that women with financial sources are entrepreneurship rather than women from weaker financial background.

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