



SCHEMES FOR THE DEVELOPMENT AND PROMOTION OF WOMAN ENTREPRENEURS

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Abstract

The entrepreneurial world has been men's world predominantly. There has been a change in the trend recently because women also can contribute to the economy of the nation. The policy makers and administrations have devised ways and means of promotion of entrepreneurship among women. Indian women have proved that they are second to none in proficiency of doing any work earlier meant for men, but also that they are efficient in effective enterprise management under all circumstances. Indian women have traveled with the times for centuries and have proved to the world that they have strong desirable qualities relevant to entrepreneurship such as their ability to manage details, dedication to the work they take up and tolerance and kindness towards people. It is a misconception that woman cannot be a good manager. In fact, the complete manager in the Indian household is the mother as she could plan, estimate, execute and show results in day to day life. The quality of an efficient management is a futuristic outlook and the capacity to plan for the future. This comes naturally to a woman with her patience and gentleness. She can understand the other side of the world with a keen sense of justice and fairness. In this paper, an attempt has been made to enlighten the schemes available for the development and promotion of women entrepreneurs.

Introduction

The entrepreneurial world has been men's world predominantly. There has been a change in the trend recently because women also can contribute to the economy of the nation. The policy makers and administrations have devised ways and means of promotion of entrepreneurship among women. Indian women have proved that they are second to none in proficiency of doing any work earlier meant for men, but also that they are efficient in effective enterprise management under all circumstances. Indian women have traveled with the times for centuries and have proved to the world that they have strong desirable qualities relevant to entrepreneurship such as their ability to manage details, dedication to the work they take up and tolerance and kindness towards people. It is a misconception that woman cannot be a good manager. In fact, the complete manager in the Indian household is the mother as she could plan, estimate, execute and show results in day to day life. The quality of an efficient management is a futuristic outlook and the capacity to plan for the future. This comes naturally to a woman with her patience and gentleness. She can understand the other side of the world with a keen sense of justice and fairness. In this paper, an attempt has been made to enlighten the schemes available for the development and promotion of women entrepreneurs.

Schemes for the Development and Promotion of Woman Entrepreneurs

According to the Third, All India Census of Small Scale Industries conducted in 2001-02 and subsequent estimates made, only 10.11% of the Micro and Small Enterprises in India are owned by women while 9.46% women manage the Micro and Small Enterprises. During 2006-2007 their estimated number is 12.99 lakhs women managed the enterprise. To encourage more and more women

in the Micro and Small Enterprises sector, several schemes have been formulated by the Union Government, and some more are in the process of being finalized, targeted only at the development of women enterprises in India.

Trade Related Entrepreneurship Assistance and Development (TREAD) Scheme

To encouraging women in setting up their ventures, Government of India implements a Scheme, namely, Trade Related Entrepreneurship Assistance and Development (TREAD) Scheme during the 11th Plan. The Scheme envisages economic empowerment of women through the development of their entrepreneurial skills in nonfarm activities. There are three components of the Scheme;

1. The Government of India grant up to 30% of the total project cost to the Non-Governmental Organizations for promoting entrepreneurship among women. The 70% of the project cost is financed by the lending agency as the loan for undertaking activities as envisaged in the project.
2. The Government of India grant up to Rs.1lakh per programme to training institutions / Non-Governmental Organizations for imparting training to the women entrepreneurs, bringing their share to the extent of minimum 25% of Government of India grant and 10% in case of North East Region.
3. Need-based Government of India grants up to 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.

The Scheme envisages that Woman Associations/Non- Governmental Organizations/Self Help Groups prepare composite bankable proposals for a group of woman entrepreneurs, and submit to the office of the Development Commissioner, Micro, Small & Medium Enterprises (MSME) for forwarding to the Banks their appraisal. Bank examines the proposal and issues approval. 30% of the loan amount is sanctioned as grant and made available to the bank by office of Development Commissioner, Micro, Small & Medium Enterprises for further disbursement to Non-Governmental Organizations¹.

Micro and 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 the diagnostic study and the subsequent soft interventions in a cluster. However, in backward regions the target numbers could come down to 50 or less, but it should not be too small as Government has to spend a lot per cluster. The Micro and Small Enterprises Cluster Development Programme (MSE-CDP) being implemented envisages diagnostic study of identified clusters of traditional skill-based Micro and Small Enterprises to appropriate technologies and their providers and to facilitate the adoption of available technology meeting the specific needs of the end users.

The Cluster Development aims at enhancing competitiveness, technology improvement, adoption of best manufacturing practices, marketing of products, employment generation, etc. The Scheme assists in capacity building, facilities such as marketing, the delivery, assimilation, and diffusion of the identified technology from its producers to the recipient user/cluster of small enterprises.



Soft interventions involve capacity building activities in the cluster where no fixed assets are acquired or formed. Soft interventions, among other things, include:

1. Diagnostic study,
2. Association-Trust building and Developing Identity,
3. Capacity building,
4. Organizing workshops, seminars,
5. Training & Exposure visits,
6. Market development,
7. Launch of Website,
8. Procurement,
9. Complementary sales and branding.

In the past depending upon the type of cluster, assistance available for soft interventions is varied in the range of Rs.25 to 35 lakhs per cluster. Currently we have an internal ceiling of Rs.10 lakhs for soft intervention under this Scheme.

Hard Interventions, Among Other Things, Include

1. Setting up of Common Facility Centre (CFCs),
2. Mini Tool Room
3. Design Centre,
4. Testing Facilities
5. Training Centre,
6. R&D Centre
7. Common Raw Material Bank/Sales depot, etc.
8. Display/Exhibition Centre

In case of the hard intervention the contribution from the Micro, Small & Medium Enterprises vary between 30 to 80% of the total project cost, but in the case of clusters owned and managed by women entrepreneurs, contribution of the Micro, Small & Medium Enterprises could be up to 90% of the project cost.

This Ministry implemented the Integrated Infrastructure Development Scheme to provide developed sites with infrastructural facilities like power distribution network, water, telecommunications, drainage and pollution control facilities, roads, exhibition/display centers, raw materials, storage and marketing outlets, common service facilities and technological services, etc. This scheme is subsumed in the Micro, Small & Medium Enterprises -Cluster Development Programme. All the features of Integrated Infrastructure Development Scheme are retained.

To create physical infrastructure exclusively for women enterprises central grant of 40% of the project cost subject to a maximum of Rs.2 crore is available. The Ministry of Micro, Small & Medium Enterprises is making efforts to enhance the quantum of the grant to 80% in a project of Rs.10crore.

A Cluster Development Executive (CDE) is required to execute and monitor all soft interventions in a cluster. Normally, a Cluster Development Executive can be a District Industries Centre Officer/ Micro, Small & Medium Enterprises-District Industries Centre Officer/retired expert or even hired a person



from Non-Government Sector. The hard interventions in a cluster and creation of physical infrastructure and setting up a user's body/special purpose vehicle².

Credit Guarantee Fund Scheme to Micro and Small Enterprises

The Credit Guarantee Fund Scheme to Micro and Small Enterprises was launched in August 2000 to ensure better flow of funds for 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 cover is 80% for (i) Micro Enterprises for loans up to Rs.5 lakh; Micro and Small Enterprises operated and owned by women; and (iii) all loans in the North-East Region. The lending institutions availing guarantee from the Trust have to pay one-time guarantee fee of 1.5% and service charges of 0.75% per annum of the credit facility sanctioned. For loans up to Rs.5 lakh, the onetime guarantee fee is 1% and other service charges are 0.5% per annum of the credit facility sanctioned.

Micro, Small & Medium Enterprises -District Industries Centre regularly organize some Skill Development Programme (ESDP)/ Entrepreneurship Development Programme (EDP)/ Management Development Programmes (MDPs) to train the potential entrepreneurs in improving their techno/managerial knowledge and skill to facilitating them to start MSEs in various fields. Many of the programmes are tailor-made for the target group for Scheduled Caste, Scheduled Tribes, Other Backward Community, Women, 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. About 22.5% of total target of Entrepreneurship Skill Development Programmes are conducted exclusively for Scheduled Castes / Scheduled Tribes, Women and Physically Challenged persons with a stipend of Rs. 500/- per month per candidate under the Promotional Packages for Micro and Small Enterprises. No fee is charged from Scheduled Castes / Scheduled Tribes, women and Physically Handicapped. No fee is charged for Scheduled Castes and Scheduled Tribes and 50 % from Women and Physically Handicapped candidates who attend the Entrepreneurship Skill Development Programmes / Entrepreneurship Development Programmes /Management Development Programme courses conducted for general candidates³.

Exhibitions for Women Promotional Package for Micro and Small Enterprises Approved under Marketing Support

Women Promotional Package for Micro and Small Enterprises Approved under Marketing Support has formulated a Scheme for women entrepreneurs to encourage Small and Micro Manufacturing units owned by women and register in District Industries/District Industries Centre in their efforts at tapping and developing overseas markets, to increase participation of representatives of small/micro manufacturing enterprises under Micro, Small and Medium Enterprises stall at International Trade Fairs/Exhibitions, to enhance export from such units. Under this Scheme, a participation of women entrepreneurs in 25 international exhibitions is envisaged during the 11th Plan (2007-2012). With a view to encouraging women entrepreneurs to participate in the International Exhibitions under Market Developing Assistance scheme it has been decided to:

² Micro and Small Enterprises Cluster Development Programme (MSE-CDP) Scheme

³ Credit Guarantee Fund Scheme to Micro and Small Enterprises Scheme



1. Provide rent-free space (6/9 Sq Meters) in the exhibitions.
2. 100% reimbursement facility in economy class air fare for one representative is allowed.

The overall ceiling shall, however, be Rs. 1.25 lacks. During the period April 2008 to September 2008, Office of Development Commissioner (Micro, Small and Medium Enterprises) participated in the exhibitions with 36 women out of total 74 participants⁴.

Conclusion

It is a misconception that women cannot be entrepreneurs. In fact, the complete entrepreneur in the Indian household is the mother as she could plan, estimate, execute and show results in day to day life. The quality of an efficient management is a futuristic outlook and the capacity to plan for the future. This comes naturally to a woman with her patience, kindness, and gentleness. She can understand the other side of the world with a keen sense of justice and fairness. The various schemes implemented for women entrepreneurs could help them to develop and promote as successful woman entrepreneurs.

⁴ Exhibitions for Women Promotional Package for Micro and Small Enterprises Approved under Marketing Support