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Government schemes for empowerment of women entrepreneurs

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Abstract

The Empowerment of Indian women is an uphill task since they have to maintain an intuitive balance with customs and traditions. They are pillars of society and when they are empowered means the whole world is empowered. Women today, instead of ending up his life in the four walls of the house are achieving unprecedented success and continuously expanding their horizons to make them economically independent in the form of running entrepreneurial ventures, advocating in courts, employees in public offices, managers in corporate offices, Member of Parliaments, book writers, social activists, actors, directors, etc. Entrepreneurship development is of utmost importance for all the developed and developing countries of the world. But, how to initiate entrepreneurial activities lies in launching of Entrepreneurship Development Programmes (EDP) by equipping an individual with entrepreneurial abilities and skills to establish and successfully run his/her enterprise. In this research paper we will discuss various schemes of the government enabling women to establish and successfully run his enterprise.

Keywords: entrepreneur, entrepreneurship, women empowerment, entrepreneurship development programmes

Introduction

Swami Vivekananda, one of the greatest sons of India, quoted that, "There is no chance for the welfare of the world unless the condition of women is improved, it is not possible for a bird to fly on only one wing." Empowerment of Indian women is an uphill task since they have to maintain an intuitive balance with customs and traditions. Women are the pillars of society and when women are empowered, the whole world is empowered. Women in ancient India have enjoyed equal status with men including the art of warfare and the story of Rani Abbakka Chowta is a classic example. Previously women were engaged in traditional home-based business activities, i.e., textiles, catering, embroideries, boutiques, crafts, etc. However, women empowerment in India has gathered momentum after January 26, 1950, Constitution of India was adopted, which carries laws to eliminate ambiguity over the status of women. Empowering women entrepreneurs through its different schemes helps women spark their talent and build their own identity. Today, women instead of ending up his life in the four walls of the house are achieving unprecedented success and continuously expanding their horizons to make them economically independent in the form of running entrepreneurial ventures, advocate in courts, employees in public offices, managers in corporate offices, Member of Parliaments in Parliament, book writers, social activists, actors, directors, etc. Women who have exploited opportunities have shown their worth, i.e., Shahnaz Hussain, owner of the biggest herbal cosmetics industry in India.

Objective of the Study: This research paper discusses the importance of government schemes to promote enterprise development for the empowerment of women.

The entrepreneur is a 'spark plug' who transforms the economic scene of an economy, so they are also termed as 'Change Agents'. Entrepreneurship development is a hot topic in all the developed and developing countries all over the world. But, how to initiate entrepreneurial activities lies in the launching of Entrepreneurship Development Programmes (EDP) by the country in order to equip an individual with entrepreneurial abilities and skills to establish and successfully run his/her enterprise.

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Small Industries Extension and Training Institute (SIET) defined EDP as “an attempt to develop a person as an entrepreneur through structural training. The main purpose of such entrepreneurship development programme is to widen the base of entrepreneurship by development achievement motivation and entrepreneurial skills among the less privileged sections of the society.”

N.P. Singh defined it as “Entrepreneurship Development Programme is designed to help an individual in strengthening his entrepreneurial motive and in acquiring skills and capabilities necessary for playing his entrepreneurial role effectively. It is necessary to promote this understanding of motives and their impact on entrepreneurial values and behaviour for this purpose.”

To summarize EDP is the process by which an individual is identified, inculcated to enhance its analytical ability, foresightedness and managerial qualities, developed and polished by the entrepreneurial skills and capabilities to become and behave as an entrepreneur.

How to Develop Entrepreneurs

The basic question that lies before enterprise development is that ‘from where do these entrepreneurial traits come from or whether these traits are in-born in the entrepreneurs or can be induced or can be developed, i.e., whether entrepreneurs are born or made’. Behavioural Scientist Prof. David C. McClelland revealed that “Need for Achievement” (N’ach) is the factor behind the creative energetic powers of individuals, which motivates them to work hard. Money making was incidental, but it is not the factor of motivation. Mr. David C. McClelland has conducted a five-year experimental study in Kakinada in collaboration with Small Industries Extension and Training Institute (SIET), Hyderabad. This experiment is popularly known as the “Kakinada Experiment”, in which young individuals were selected and were rigorously trained and motivated for three months for self-employment. The study revealed that such capacity-building programmes along with regular motivation had a positive impact on the competitive performance of entrepreneurs in establishing and successfully running their enterprises. Thus, Kakinada experiment had sown the seeds of present-day entrepreneurship development programmes (EDP’s) in India.

Historical perspective of EDP

Though India got political freedom on 15th August 1947, the commencement of economic freedom, i.e., emancipation from poverty and unemployment started in 1950 with the formation of the Planning Commission. Policymakers and planners started advocating to utilize the entrepreneurial potential by promotion of small-scale industries in the country, thereby increasing the employment for the unemployed. The Government also offered promotional packages to the entrepreneurs, i.e., financial help, incentives, subsidies, infrastructural facilities, technical and managerial guidance to the entrepreneurs.

Objectives of EDP

The government launched a number of entrepreneurship development programmes taking into consideration the following objectives -

- Develop, strengthen and motivate the entrepreneurial qualities of an entrepreneur.

- Analyze the environmental safety measures in respect to the establishment of micro, small and medium enterprises.
- Formulating and exploiting new business opportunities existing in the environment.
- Selecting projects suitable to their educational qualifications, available resources and aptitude.
- Select new products, which provide maximum earnings.
- Process and procedure involved in setting up of enterprise must be known to an entrepreneur.
- All pros and cons as well as help and support available on behalf of the government for starting an enterprise must be known to an entrepreneur.
- Enhancement of organizational and managerial skills required to run an enterprise.
- Compliance of laws related to an enterprise.
- Developing a passion for integrity and honesty.
- Enabling entrepreneurs to have a broader vision, decision-making power, clear and effective communication, and must be able to face uncertainties.

Relevance of EDP

No entrepreneurial development plan can be framed and implemented without its relevance to the political, economic, social, cultural, and legal environment. Various studies have revealed that countries that have implemented EDP’s have attained high economic growth as compared to those who have not paid attention to it. Thus, it is well said that “No EDP, no means of economic development”, i.e., economic transformation never takes place by an accident, it is always a matter of design and conscious efforts of the governments. Hence EDP is indispensable for an entrepreneur and its applicability can be recognized from the following aspects–

- It helps in the multifaceted development of a country.
- It motivates the enthusiastic spirit of entrepreneurship among an individual.
- It helps in the education and training of entrepreneurs.
- It helps in skills enhancement to encash various types of opportunities.
- It helps in the promotion of new ventures by providing first-hand information to individuals.
- It helps in the smooth management of new ventures.
- It always opens new avenues of employment for the unemployed skilled youths.
- It helps in increasing imports of raw materials as well as export of their products.
- It helps in increasing production and productivity and therefore contributes to a nation’s GDP.
- It helps in earning valuable foreign exchange.
- It helps in removing poverty.
- It helps in balanced regional and sectoral development of industries.
- It raises the standard of living of people living especially in underdeveloped and backward areas.
- It encourages invention and innovation practices as per the demand of the consumers.
- It increases opportunities for research and development.

Entrepreneurship Development Programmes

The following entrepreneurship development programmes have been launched by the central or state government and public sector organizations are –

Small Industries Development Organization (SIDO)

It was established in 1954 by the Central Government on the recommendations of the Ford Foundation of the USA for the development of small industry sector in the country. It is an apex body and nodal agency for formulating, coordinating and monitoring the policies and programmes, training, management and consultancy for the promotion and development of small-scale industries, industrial estates, etc. in the country. SIDO provides a wide spectrum of services to the small industries sector, viz., facilities for testing, training for entrepreneurship development, preparation of project and product profiles, technical and managerial consultancy, assistance for exports, pollution and energy audits, etc. SIDO provides economic information services and advises Government in policy formulation for the promotion and development of small-scale industries in the country.

Small Scale Industries Board (SSI Board)

The Government of India constituted a non-statutory body, i.e., Small Scale Industries Board (SSIB) in 1954 as an apex advisory body to render advice to the Government on all issues pertaining to the development of small-scale industries in the country. It facilitates coordination and inter-institutional linkage among several departments and ministries of the central and state governments.

National Small Industries Corporation Ltd (NSIC)

NSIC was set up in 1955 by the Government of India as an ISO 9001:2000 certified company working as an agency to promote, aid and foster the growth of Small Industrial sector in the country. The main functioning of NSIC is to promote, aid and foster the growth of micro, small and medium enterprises in the country. It operates countrywide through a wide network of its offices and Technical Centers. It has also set up Training cum Incubation Centre managed by professional manpower. NSIC continues to remain at the forefront of industrial development throughout the country, with its various programs and projects, to assist the small-scale sector in the country. NSIC's mission is to provide integrated support services under Marketing, Technology, Finance and other support services to Small Scale Sector.

Small Industries Development Corporations (SIDCO)

Small Industries Development Corporations (SIDCO) were set up in the states under the Companies Act, 1956 as State government undertaking companies or agencies to cater the primary development needs of the small, tiny and village industries. It plays a catalytic role in promotion and development of SSI and hasten the Industrial dispersal in backward and underdeveloped areas of the State. Its incorporation under the Companies Act has provided SIDCO greater operational flexibility and wider scope for undertaking a variety of activities for the benefit of the small sector.

The Khadi and Village Industries Commission (KVIC)

It is a statutory body established by an Act of Parliament (No.61 of 1956, as amended by Act No. 12 of 1987 and Act No. 10 of 2006). In April 1957, it took over the work of the former All India Khadi and Village Industries Board. It is engaged in planning, promotion, organisation and implementation of programs for the development of khadi and other village industries for providing employment

opportunities in the rural areas in coordination with other agencies engaged in rural development thereby strengthening the rural economy.

National Institute for Micro, Small & Medium Enterprises (NI-MSME)

NI-MSME was originally set up as Central Industrial Extension Training Institute (CIETI) was set up in 1960 to train officers of the central and state departments of Industry to promote the growth of Small and Medium Scale Enterprises, which was renamed as Small Industry Extension Training Institute (SIET) in 1962. In 1984 it was further renamed as National Institute of Small Industry Extension Training Institute (NISIET) and in April 2007, it was rechristened as NI-MSME.

Indian Investment Centre (IIC)

The Indian Investment Centre (IIC) was established as an autonomous organization in 1960 with the objective of doing promotional work abroad to attract foreign investment in India and assisting Indian investors in promoting joint ventures abroad with its head office at New Delhi and several offices abroad on several countries. It is a single-window agency for bonafide information or any assistance that may be required for investments, technical collaborations and joint ventures.

National Alliance of Young Entrepreneurs

The National Alliance of Young Entrepreneurs (NAYE) was originated in 1967 to promote small industries in the pre-liberalized era (prior to 1991) with eight state-level SME associations. This is a national organization of young entrepreneurs of the country, which looks into the interests of young entrepreneurs and takes special care of the interests of women entrepreneurs. Some of the major achievements of NAYE are:

- Establishing its credibility in both governmental and non-governmental circles as a highly professional, competent, effective and efficient non-governmental organization representing small and medium enterprises.
- Establishing its effective presence in the area of international cooperation in small and medium enterprise sector.
- Creating a profound impact of various strategies, policies and procedures put on the anvil by the central and state governments for performance of small and medium enterprises.

Creating and nurturing a new class of women entrepreneurs and enabling them to acquire their rightful place in the Indian economy.

Management Development Institute (MDI)

MDI was set up in 1973 by the IFCI in Gurgaon as an autonomous and professionally managed Institution registered under the Societies Registration Act, 1860. The aim of MDI is to inculcate professionalism in management education and enhance the effectiveness of organization through education, training and research. The objective of MDI was to improve the quality of day-to-day managerial functions performed in the industrial and banking sectors. It organizes managerial development programmes for public

sector undertakings, e.g., BHEL, ONGC, IES (Indian Economic Service), etc.

National Institute for Entrepreneurship and Small Business Development (NIESBUD)

The National Institute for Entrepreneurship and Small Business Development is a premier organization established in 1983 as a registered society under the Societies Act (XXI of 1860). It is an apex body for coordinating and overseeing the activities of various institutions/ agencies engaged in entrepreneurship development particularly in the area of small industry and small business. It is engaged in training, consultancy, research, etc. in order to standardize and systemize the processes of selection, training, support and sustenance of potential and existing entrepreneurs.

Entrepreneurship Development Institute of India (EDII)

Entrepreneurship Development Institute of India (EDII) is an autonomous, not-for-profit institution set up in 1983 as a society registered under the Societies Registration Act 1860 and the Public Trust Act 1950. The institute was sponsored by apex financial institutions - the IDBI Bank Ltd., IFCI Ltd., ICICI Bank Ltd. and the State Bank of India (SBI) and Government of Gujarat. It is an All-India level institution engaged in EDP & Innovation training techniques for trainers. It investigates a range of issues surrounding small and medium enterprise sector, and establishes a network of researchers and trainers by conducting a biennial seminar on entrepreneurship education and research.

Small Industries Development Bank of India (SIDBI)

SIDBI was set-up by an Act of parliament and started functioning on 2nd April 1990 SIDBI acts as the principal financial institution for promotion, financing and development of micro, small and medium enterprise sector as well as coordinating the functions of other institutions engaged in similar activities. The vision of SIDBI is to transform as an All-India Financial Institution to create an integrated credit and development support role for the Bank by being a Thought Leader, adopting a Credit-plus approach, creating a Multiplier effect and serving as an Aggregator, in the MSME space. SIDBI, being the principal financial institution for MSMEs in the country, it has dedicated its resources towards evolution of a vibrant MSME ecosystem. SIDBI's initiatives have remained aligned to the national goals of poverty alleviation, employment generation, encouraging entrepreneurship and fostering competitiveness in MSME sector.

Rashtriya Gramin Vikas Nidhi (RGVN)

Rashtriya Gramin Vikas Nidhi (RGVN) was founded by IFCI Ltd. and established in April 1990 as an autonomous, non-profit, non-government organization registered under the Society's Registration Act of 1860 with its headquarter at Guwahati, Assam. IFCI provides initial set-up support and later on IDBI, NABARD and Tata Social Welfare Trust (TSWT) became its sponsors. RGVN is a national level multi-state development and support organization to groom and support small Community Based Organizations involved in a variety of livelihood enhancement programmes. RGVN's core strength comes from its network of NGOs, Community Based Organizations and Self-Help Groups, a number of whom have now grown and are capable of handling large development projects. RGVN

aims at a sustainable livelihood of rural poor where women are given priority through financial and non-financial support.

Indian Institute of Entrepreneurship (IIE)

The Indian Institute of Entrepreneurship (IIE) was established in the year 1993 in Guwahati as an autonomous national institute with an aim to undertake training, research and consultancy activities in small and micro enterprises focusing on entrepreneurship development. It is also An ISO 9001:2008 Certified Organisation.

Conclusion

Stimulating economic growth and more job opportunities amongst the unemployed through entrepreneurship and innovation measures has been a common theme in government policy since 1970's. Enhanced economic growth of a country can be achieved via promotion of competition, entrepreneurship and exploiting innovative ideas in able to reduce unemployment, particularly amongst youth by encouraging entrepreneurial measures. More jobs can be created not by developing a large and big business house, but from small independently owned micro, small and medium enterprises, therefore the government policies must target with a greater focus on the role of small enterprises. Such successful enterprises serve as role models for many governments and other job-seeking entrepreneurs to stimulate their economic growth.

The role of government is indirect and acts only as a facilitator, but not as a manager. Since there is no magic formula for success of any enterprise, so government must take care in financing ventures because high investment enterprises are risky, whereas highly innovative enterprises are unique. Helping new innovative ventures will help in stimulating entrepreneurial growth, since the focus is on encouraging sustainable, growth-oriented and innovative firms not simply fostering more start-ups. A growth-oriented approach must be adopted by government, which focuses more on entrepreneurial leadership of these innovative firms, which helps in understanding their networks and expansion at the local, national and international levels. Firms seeking to grow need to be given help in linking up with customers, suppliers and other actors within the ecosystem, who can provide resources and other raw materials.

Women need proper direction, guidance, inspiration, training and promotion to establish their own businesses enterprise. The government has already taken a few steps to ensure the education of women, which provides them countless opportunities. Today it is the Government's priority to formulate effective policy for the development of an entrepreneurial environment in order to shape and empower their policies and programmes. The government policies must be broadly focused and have a holistic approach encompassing all components of the environment.

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