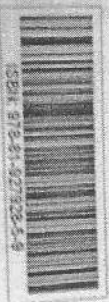


SUSTAINABLE SOCIO- ECONOMIC DEVELOPMENT



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A Study on the Financial Incentives Available for the Development of Women Entrepreneurship in India

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ABSTRACT: Women entrepreneurs are the important source of economic growth in India. They create new openings for themselves and others and also provide society with different solutions to management, organization and business problems. The number of women-owned businesses has nearly doubled in the last two decades in India thanks to economic development and a growing focus on 'woman power'. The good news is that banks have simultaneously stepped up and launched focus loans at attractive interest rates to promote women entrepreneurs in the country. On realizing this situation Govt of India also introduced different financial and other schemes for promoting women entrepreneurs. The efforts of government and its different agencies are supplemented by NGOs and associations that are playing an equally important role in facilitating women empowerment. This article is an attempt to describe and analyze various such schemes.

Keywords: Women Entrepreneurship, Financial Incentives, Government agencies, Financial Institutions

INTRODUCTION

Today, more women than ever before earn a better living than previous generations in India's history. They are on the wheel of increasing entrepreneurship and business ideas. Not only in cities but small town's women have courage and spirit to start their businesses. From Indrani Nooyi, CFO of Pepsico to Shahnaz Hussain, owner of the biggest herbal cosmetics industry in India, India has many women entrepreneurs who are shining in the corporate world. More women are joining the world of business and entrepreneurship day by day. At present, there are more than 1.3 million women entrepreneurs with their businesses and this number is more than any other nation worldwide except the China and US. They all are strengthening the Indian economy and have great impact on the entrepreneurial ecosystem. At the time they also seek different type of helps in the form of training and networks that help them to grow widely to unleash different growth opportunities but there is a lack of information and financial education available to them traditionally. All they need is proper inspiration, training and promotions. By realizing the importance of women entrepreneurship in India different financial and other schemes are introduced by govt and other agencies from time to time. The Government has also taken a few steps to ensure that women are properly educated, informed and guided about entrepreneurship and the countless opportunities it has to offer.

OBJECTIVES

- ✓ To illustrate the various financial assistance schemes for the development of women entrepreneurship in India.
- ✓ To analyze the effectiveness of such schemes.

METHODOLOGY

This study is descriptive and analytical in nature. The study is primarily based on the existing literature. It is an attempt to illustrate the various financial schemes of Govt of India and other agencies for women entrepreneurs and an examination of their effectiveness among the

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existing and prospective women entrepreneurs. Quantitative and qualitative data collected from different sources are used in this study. Primary data are collected through convenience sampling. Primary data used in the study are collected through interaction with women entrepreneurs and the officials of different financial institutions and govt. agencies.

MAJOR WOMEN ENTREPRENEURIAL SCHEMES IN INDIA

Some of the special schemes for women entrepreneurs implemented by the government bodies and allied institutions are provided below.

Schemes Promoted by Govt of India
Trade Related Entrepreneurship Assistance and Development (TREAD) scheme for women Govt. of India launched a scheme entitled "Trade Related Entrepreneurship Assistance and Development" (TREAD) during the 9th plan period which has slightly been modified and is now put in operation. The scheme envisages economic empowerment of women through trade related training, information and counseling extension activities related to trades, products, services etc. Along with that Government Grant also provides up to 30% of the total project cost as appraised by lending institutions which would finance the remaining 70% as loan Assistance to applicant women. It mostly helps poor & usually illiterate/semi-literate women to get started on their business. Assistance to applicant women, who have no easy access to credit from banks due to their cumbersome procedures and the inability of poor & usually illiterate/semi-literate women to provide adequate security demanded by banks in the form of collaterals. GOI Grant and the loan portion from the lending agencies to assist such women shall be routed through eligible NGOs engaged in assisting poor women through any kind of income generating activities in non farm sector, the credit will be made available to women applicants through NGOs who would be capable of handling funds in an appropriate manner. These NGOs will not only handle the disbursement of such loans needed by women but would also provide them adequate counseling, training and Assistance in developing markets.

Mahila Udyam Nidhi This is an exclusive scheme promoted by SIDBI for providing equity to women entrepreneurs

Mahila Vikas Nidhi. This fund has been set up by SIDBI to help women in rural area start their entrepreneurship easily. It grants loan to women are given to start their venture in the field like spinning, weaving, knitting, embroidery products, block printing, handlooms handicrafts, bamboo products etc.

Support To Training And Employment Programme For Women (Step)

The Ministry of women and child development has been administering 'Support to Training and Employment Programme for Women (STEP) Scheme' since 1986-87 as a 'Central Sector Scheme'. The STEP Scheme aims to provide skills that give employability to women and to provide competencies and skill that enable women to become self-employed/entrepreneurs. The Scheme is intended to benefit women who are in the age group of 16 years and above across the country. The grant under the Scheme is given to an institution/ organisation including NGOs directly and not the States/ UTs. The assistance under STEP Scheme will be available in any sector for imparting skills related to employability and entrepreneurship including but not limited to the Agriculture, Horticulture, Food Processing, Handloom Tailoring, Stitching, Embroidery, Zari etc, Handicrafts, Computer & IT enable services also with soft skills and skills for the work place such as spoken English, Gems & Jewellery, Trade & Tourism, Hospitality.

Swayam Siddha
