CHAPTER II

WOMEN ENTREPRENEURSHIP: POLICY AND PROGRAMMES

In India, for the promotion of entrepreneurship among women, government has designed and evolved a number of policies, implemented programmes, set up institutions and provided financial assistance over many years. This is so because women constitute over 50 per cent of population. When compared to men, their participation in national building activities is lopsided and they are regarded as inferior to men. In view of all this, an attempt is made in this chapter to review the efforts of government and their impact on the progress of women entrepreneurship. In addition, the status and empowerment of women are examined.

1. Women

In the ancient India, women were not treated as equal to men. Women suffer many disadvantages as compared to men in the areas of education, labour participation rate and earnings. However, over the years, the face of women has changed due to socio, cultural, political and economic factors. The level of society can be judged with the level of women. Women can develop if they have an opportunity. Men, unfortunately even some women, are conditioned by men oriented society. Their lives are conditioned by pre-conceived motives and attitudes at every level, viz.
family, school, society and institution. The lower status of women is a handicap for the growth of mankind as a whole and it does affect the lives of men themselves. Men will not know their true selves unless and until they allow women to develop their full potential.

In the contemporary times, status of women has undergone a metamorphosis due to provision of not only equal rights and privileges but also enactment of special legislation. By the 73rd and 74th constitutional amendments, one third of seats in the local bodies of panchayats and municipalities were allotted to women. It lays a strong foundation for participation in the decision making process at the village level. Empowerment of women in local administration is the starting point of integrating women in social, economic and political life of the nation. With the spread of education and awareness, women entrepreneurs have come up to balance the dual role, that is, family role and entrepreneurial role. Therefore, freedom to think and act are the essence of any activity. Just political democracy alone does not create equality unless there is a change in mindset.

Now, the Indian Constitution has guaranteed equal opportunity removing all discrimination based on sex. However, in practice, women were not given social equality and deprived of their human rights. Various Acts were passed to prevent inequality in economic, cultural and social spheres between women and men. The Indian society, of late, by force of circumstances has started realizing the anxieties of women and the need to give equal rights to women.

2. Women entrepreneurs

Indian women have played an outstanding role in the freedom struggle and contributed a great deal to cultural heritage. Legally and constitutionally, women enjoy a unique status of equality with men. They are equal citizens expected to enjoy all rights and opportunities conferred on all the people by the state. Women are entitled to the same fundamental rights as are guaranteed to men. Article 14 and 15 of the constitution ensure equality before law and prohibit differentiation on the grounds of religion, race, caste, gender, birth place etc., Article 3 empowers the state to make special provision for women and children in the events of violation of principle of non-discrimination among citizens, interalia of sex. This provision provides rights to
government to make special provisional for women with regard to appointment in
public services too. The constitution has assured equal opportunities to women along
with men. Women are free in selecting and choosing any form of education and
training for getting better career. Many women are now prosecuting higher studies
and confined to white collar jobs in public and private sectors. From the economic
point of view, the position and status of women is unsatisfactory. The task of
entrepreneurship is difficult as long as society sticks to anachronistic traditions, age-
old outmoded conventions etc.

Nature has made a division of labour entrusting upon men and women
different responsibilities for the betterment of the process of evolution. In the division
of labour, women were endowed with the gift of motherhood and upbringing of
future generation. For women, the mother has been a symbol of continuity of culture,
tradition and religion, being the binding force of family system. Quality of life has
changed in the society. Women have an important role to play in synthesizing social
progress with the economic growth of developing countries. Women have played a
crucial role in the development process of India. Entry of women in the field of
business ventures is a recent phenomenon. Now-a-days, women contribute to
production process. Unfortunately their economic efforts remain unacknowledged and
unaccounted. Traditionally women were highly esteemed. Though women can
achieve the highest position in any field but the majority of them are confined to
homes. In India, majority of women are involved in home products or cottage
industries for supplementing income generation. It is in the interest of all, that women
should be able to play a more positive and creative role in all spheres nationally and
internationally.

Women have all along participated in out door occupations in the fields and
take part in agricultural activities like farm tending to cattle and poultry. Women are
more receptive to new ideas and open to change and more confident of future without
disturbing pivotal role in the family. The experience gained outside enables her to
enrich family relationships through a new outlook in the changing world. More useful
female participation in the business world will give fuller expression for constructive
use of technology and science. Then the economies could expand and crises could be
solved in a way that will give more job opportunities. Women entrepreneurs who
generally come from elite class with a favoured educational and social background, use their economic level if they act as a model employer. They can also help the cause of women by motivating girls and their parents for education and training and by showing how education helps to achieve higher goals. Even among the most educated young girls, first preference is accorded to marriage rather than a career. Hence, women tend to make career decisions later than men. This is largely due to the fact that job opportunities do not exist in proportion to the demand and preference being given to male workforce; As such women retire from the scene. However, after some time, they make an attempt to become working wives in urgent or specific situations.

As eighties have been declared decade of women, different organizations should take positive steps for the advancement of women. Women entrepreneurs can contribute to world progress because they represent all that is new in the contemporary world. Women entrepreneurs are leaders of women in industry and, therefore, should be leaders in giving a new turn to society not only in developing countries, but even in developed countries. Women entrepreneurs should make greater efforts that lead to better achievements.

3. Kinds of women entrepreneurs

According to adherence to entrepreneurial and patriarchal deals, women entrepreneurs may be classified into four groups.

3.1 Conventional group

Conventional group is made up of women entrepreneurs who believe in the natural superiority of men, although they have lofty entrepreneurial ideals. In general, they are traditional and conservative women. The conventional group of women business owners are those who are both highly committed to entrepreneurial ideals and conventional notions about gender roles or have high attachment to entrepreneurial ideals and high attachment to patriarchal ideals. Such women are often not confronted with conflicting pressure emanating from business and domestic activities. There are Personal relationships since most of them will tend to be married. They tend to start up on the basis of skills acquired through performing traditional female roles. They are likely to choose conventional lines of business. Thus, they are
often proprietors of guest houses, secretarial and nursing agencies, restaurants, catering firms, hair dressing saloons, etc. These types of firms are unlikely to cause conflict between their private and public lives. Since the enterprise imposes upon domestic roles of these business owners, especially as they are married. There is a tendency to make profit through strict cost – effectiveness within stable no-growth business.

3.2 Innovative group

The innovative group of entrepreneurs are those women who are highly committed to entrepreneurial ideals but who reject prevailing notions of female role and deplore the predominance of men over women. In other words, these women have high attachment to entrepreneurial ideals while low attachment to patriarchal ideals. They are strongly motivated by pursuits of profit and business growth. Business for such women is a central life interest to the extent that all personal relationships are regarded as secondary. They are often single and more educated than the conventional group. As they often encounter male prejudices in the labour market, they endeavor to fulfill their personal ambitions through entrepreneurship. They choose more freely among the available lines of business. They are not afraid to compete with men. Such women trade with technical skills which have been acquired within the educational and occupational systems e.g. market research, publishing etc.

3.3 Domestic group

These entrepreneurs have low attachment to entrepreneurial ideals and high attachment to patriarchal ideals, implying that these female entrepreneurs are unwillingly self-employed. The domestic entrepreneurs are those who regard business as secondary to other aspects of their lives. They are strongly attached to traditional female role. Therefore, their business activities include arts and crafts, health, food, beauty care, dress making, etc. The domestic group consists mainly of women who, out of concern for their family, start their own firm instead of taking outside employment. Often their choice of business allows them to work at home and to determine their working hours so that they also can take proper care of their family. As they attach importance to the exercise of personal skills and work satisfaction, they are found on lines of business where the investment requirement is low and profits
and growth of business are given a low priority. Consequently, they usually trade with customers on a regular, long-term and small scale basis. Since most of them tend to be married, their husbands are often used as 'negotiators' for obtaining credit and commercial expertise.

3.4 Radical group

The radical group of women entrepreneurs have low attachment to entrepreneurial ideals and low attachment to patriarchal ideals. In other words, they have a low commitment to both entrepreneurial ideals and conventional female roles. This group resists both capitalism and patriarchy. Sometimes to their own surprise, they find themselves in the position of entrepreneurs though they basically regard themselves as artists or crafts persons. They are often university graduates who with their various skills have been confronted with male prejudices within large-scale organizations. At the same time, various other experiences have led them to query traditional assumptions about the position of women in society. Accordingly, business ownership is seen to offer a means whereby women can overcome their subordination. Business is not geared to profits and any accumulated assets are used to further long-term interest of women. Such enterprises, therefore, are often regarded as an alternative to marriage and family. Furthermore, the strong egalitarian ethos of women's movement shapes the pattern of ownership on the basis of jointly owned partnership and co-operatives with which there are no hierarchically organized work patterns.

The major theories of entrepreneurship and the main stream of thought seem to indicate that the emergence of entrepreneurship in a country depends upon closely interlinked economic, social, religious, cultural and psychological variables, presence of a conducive environment with availability of economic and other related resources is essential for an individual to venture into an entrepreneurial field. But, it is the individual with certain specific characteristics who will observe and seize these opportunities, and it is he who transforms the capital and resources into the product. Thus the individual constitutes the most important element in entrepreneurship. Hence, the psychological factors of an individual that contribute to entrepreneurship assume prime importance while studying entrepreneurship.
4. Government policy

Women entrepreneurship is a relatively new concept in India but women entrepreneurs are no different from men in terms of personality, cognition, achievement, motivation, dependence and other related attitudes. The gap in women's participation to world's income is due to various social and personal constraints. Efforts have been made by various government and non-governmental agencies all over the world to promote women entrepreneurs. The results are somewhat encouraging. In India, entrepreneurship development has received much attention during the last few years. Several policies, programmes and institutions were formulated and institutions set up to develop entrepreneurship among women. The principle of gender equality is enshrined in the Preamble of the Indian Constitution, fundamental rights, fundamental duties and Directive Principles of State policy. The Constitution not only grants equality to women but also empowers the state to adopt measures of positive discrimination in favour of women. Within the framework of a democratic polity, Indian laws, development policies, plans and programmes have aimed at advancement of women in different spheres. From the Fifth Five Year Plan onwards, there has been a marked shift in the approach to women's issues from welfare to development. In recent years, the empowerment of women has been recognized as the central issue in determining the status of women.

There are countries which are profusely rich in resources and yet are poor and underdeveloped with low living standards due to the dearth of entrepreneurial skills. In India, it was in 1950 that the need for entrepreneurial development was first felt and, since then, a substantial amount of research has gone into this sphere. In India, where human resource is to be found in plenty, individuals with requisite entrepreneurial skills can be identified. What is required is to mould them through proper Entrepreneurial Development Programmes (EDPs) for undertaking risky ventures. These EDPs become a vital necessity for harnessing the vast untapped human skills to accelerate industrialization. EDP training is a path to economic prosperity and development. Entrepreneurship development is a human resource development task, for it deals with aspirations, motives, creativity, behaviour and psychology. Therefore, the target group with all its strengths and weaknesses has to make an entrepreneurial movement. The objectives of an EDP are to: enlarge the
supply of entrepreneurs for rapid industrial development; develop small and medium enterprises sector, which is necessary for employment generation and wider dispersal of industrial ownership; industrialize rural and backward regions; provide gainful self-employment to educated young men and women; diversify the sources of entrepreneurship; and improve the performance of small scale industries by developing managerial skills among small entrepreneurs.

National Level Standing Committee on Women Entrepreneurs was constituted under the Chairmanship of Minister of State for Sports, Youth Affairs, Women and Child Welfare to look into the problems of women entrepreneurs and evolve policies for the promotion of entrepreneurship among women. The Committee is represented by all agencies connected with entrepreneurship development, women entrepreneurs and officials. The Committee has evolved certain policies for the promotion of entrepreneurship among women. These were subsequently adopted by Small Scale Industries Board. A women’s cell functions in the office of the Development Commission (SSI) to attend to the problems faced by women entrepreneurs and liaison with other agencies.

The new industrial policy lists a number of measures to promote small-scale units. About 836 items were reserved for exclusive manufacture in the small-scale sector. A new scheme of central investment subsidy, exclusively for small scale sector in rural and backward areas capable of generating higher employment at lower capital cost was implemented. A number of technology centers, tool rooms, process and product development centers, testing centers, etc., were set up under the umbrella of an apex technology development centre in the Small Industries Development Organization. Bureaucratic controls were withdrawn to eliminate interference. Procedures were simplified. Now small-scale units are not required to submit a large number of tax returns and face an army of inspectors.

The first National Convention of Women Entrepreneurs held at New Delhi during November 1981 called for priority to women in the allotment of land, sanction of power, industrial licensing etc. It also recommended the simplification of loan procedures, counseling services, centralized marketing agency and special training programmes for women entrepreneurs. The Second International Conference of Women Entrepreneurs organised by National Alliance of Young Entrepreneurs

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(NAYE) at New Delhi during 1981, under the aegis of world Assembly of Small and Medium Enterprises, adopted a declaration. The salient points of this declaration were: national governments should promote women's involvement in social and economic development programmes. Provide necessary infrastructural support, training and marketing facilities, enact legislation or remove constraints in their way and arrange for transfer of relevant technology and financial assistance; the international agencies like UNCTAD, UNDP, ILO and the national governments should adopt appropriate measures to encourage free flow of trade of products manufactured by women entrepreneurs; and provide fiscal and expert assistance to state governments and agencies engaged in the promotion of entrepreneurship among women; organise International and national trade fairs; products manufactured by women entrepreneurs should widely be displayed etc. The recommendations of the international and national bodies need to be implemented in letter and spirit in order to improve the lot of women in economic life and prepare them to participate in industrial estates as entrepreneurs.

At the dawn of Independence, education in principle was viewed as an instrument for providing equality to women and enabling them to play multiple roles in the society. Thus education of women assumed a special significance in the context of development of the country. The Fifth Five Year Plan held that women must have the same opportunities as men for taking up all kinds of jobs and this presupposes that they should get equal facilities. Then their entry into the profession and public service is in no way prejudiced. The Second Five Year Plan emphasized the overall expansion of educational facilities. The major schemes undertaken during this period were elementary education; secondary education; university education; and research and technical education. During the Third Five Year Plan, the report of the National Committee on Women's Education made strong stress on schemes like condensed school courses for adult women. Therefore, balasevika training and child care programmes were launched. This trend continued in the Fourth Five Year Plan Period. Incentives such as free ext books and scholarships for girls were included in the scheme of education for women. In the Fifth Five Year Plan, major thrust was to offer equality of opportunities as a part of the overall plan of ensuring social justice and improving the quality of education imparted. Emphasis was laid on the need for the orientation of curriculum to meet the special needs of girls. In addition to incentives
like free distribution of textbooks, mid-day meals, girls were given uniforms and attendance scholarships. The principle of women as the target of economic development programme was accepted in the Sixth Five Year Plan. For the first time, this plan contained a chapter entitled 'women and Development'. This plan also emphasized on the need for universalisation of elementary education to promote Balawadis attached to schools to enable girls responsible for sibling care at home to attend schools. The Seventh Five Year Plan suggested restructuring of educational programmes and modifications of school curricula to eliminate gender bias. At the elementary stage, education has been made free for girls. The Eighth Five Year Plan laid special thrust on employment, including women's employment, with the objective of making women self-reliant and economically independent. Three major sector-specific strategies were pursued in the Tenth Five Year Plan period for empowering women. During this plan period, three major strategies – social empowerment, economic empowerment and gender justice were pursued.

5. Institutional set up

The following institutions promote women entrepreneurship in the country.

5.1 National Small Industries Development Organisation

In order to widen the entrepreneurial base, the Government would lay particular emphasis on training of women and youth under the entrepreneurial development programme. A special cell known as National Small Industries Development Organization (NSIDO) and the state directorates of industries were established to assist women entrepreneurs. The definition of women enterprises was simplified in the new industrial policy. Women enterprise is defined as a small scale industrial unit, industry related service or business enterprise, managed by one or more women entrepreneurs in proprietary concerns, or in which she or they individually or jointly have a share capital of not less than 51 per cent as partners/shareholders/directors of private limited company/ members of co-operative society. Earlier, units with major women employees that qualified as women enterprises.
5.2 National Institute for Small Industry

Extension Training Institute was set up in 1962 primarily for training officers of the government of India, who are engaged in the administration of industrial programmes. Since 1966, the institute holds international training programmes under the programme of small industry promotion in developing countries. The institute is engaged in research on problems of small scale industries and has brought out a number of useful publications relating to small scale industries.

5.3 Directorate of Industries

Development of Small scale industry is the primary responsibility of state government. Although a number of schemes of assistance and programmes of development have been sponsored by the central as well as the state government to accelerate the pace of development of small scale industries, the role played by the state directorates of industries at the level of state is significant.

5.4 District Industries Centre

The district industries centre (DIC) is an agency at the district level. The DIC provides services and facilities to entrepreneurs at one place so that they may easily set up small and village industries. It helps in the identification of suitable schemes, preparation of feasibility report, arrangements for the supply of machinery and equipment, provision of raw materials, credit facilities, marketing, information, quality control and research and entrepreneurial training. The DIC would also ensure that small industries continue to be viable. For this purpose, it provides all facilities to entrepreneurs under one roof at the district and sub-district levels.

The DIC, Hyderabad, which has been essentially a coordinating agency, seeks guidance from other agencies and utilizes expertise for the promotion of small scale units. It works in close liaison with the development bodies entrusted with the task of integrated rural development. The Central Khadi and Village Industries Commission and the State Boards coordinate their work with DIC, which in turn, coordinate the work of various other central and state agencies. The DIC operates all the programmes in Hyderabad.
5.5 Central Social Welfare Board

The Central Social Welfare Board (CSWR) was set up during August, 1953 with the object of promoting and implementing welfare programmes for women, children and the handicapped through voluntary organizations. Till 1969, the Board functioned as a limb of the government. Subsequently, it was registered as a charitable company under the Companies Act. The Board was given the dual responsibility of taking welfare services to the disadvantaged sections of society, especially women and children. During 1954, State Social Welfare Advisory Boards were set up in the states and union territories to assist the CSWB while implementing the programmes at the state level. The CSW makes available funds to voluntary organizations on the recommendations of state boards. The welfare extension projects extend services such as pre-primary school education, craft activities for women, maternity services and recreational facilities in the rural areas. The CSWB initiated Border Area Project during 1962. Tension in the border areas necessitated the initiation and strengthening of welfare services in these areas. These were taken up with a view to promote emotional and cultural integration of these areas with the rest of the country. At present, there are 84 projects with 410 centers in the remote border areas spread over 14 states. The CSWB has also introduced the Demonstration Projects to provide nutrition, health, education and recreational facilities for children.

5.6 Khadi and Village Industries Commission

The Khadi and Village Industries Commission (KVIC) is a statutory organization, which came into force from 1956. This is engaged in the promotion and development of khadi and village industries for providing employment opportunities in the rural areas, thereby strengthening the rural economy. The Commission took over the activities of the erstwhile All India Khadi and Village Industries Board during 1957. The KVIC has been identified as one of the major organizations in the decentralized sector to generate sustainable non-farm employment opportunities in the rural areas at a low per capita investment. It undertakes activities like skill improvement; transfer of technology; research and development and marketing and helps in generating employment/self-employment opportunities in rural areas.
The KVIC Programmes are implemented in 33 states/Union Territories (UTs) through Khadi and Village Industries Boards (KVIBs). There are 5,000 registered institutions and 30,129 co-operative societies and banks/financial institutions. In order to facilitate and empower khadi spinners and weavers; to chart out a sustainable path for growth, income generation and better work environment; and to enable them to carry out their spinning and weaving work effectively, Work Shed Scheme for Khadi Artisans has been introduced during 2008. Under this scheme, financial assistance for construction of work sheds is provided to khadi artisans belonging to the below poverty line (BPL) category through the institutions, which the khadi artisans are associated with. From 2008, the Ministry has introduced the ‘Scheme for Enhancing Productivity and Competitiveness of Khadi Industries and Artisans’ through KVIC. During 1977, they introduced interest subsidy eligibility certificate (ISEC) scheme for khadi programme. Under the ISEC scheme, credit at the concessional rate of interest of 4 per cent per annum for capital expenditure as well as working capital, is made available. In order to make the price of khadi competitive with other textiles, Government makes available a normal rebate of 10 per cent all over the year and an additional special rebate at 10 per cent for 108 days in a year to the customers. In 2002, KVIC launched Product Development, Design Intervention and Packing (PRODIP) scheme as a small intervention with a view to selectively improve the quality of khadi products and also to diversify into new products. The commission has also taken up another scheme called “Rural Industries Services Centers” (RISC) scheme from 2004 for providing infrastructural support and services to select units with a view to upgrade their production capacity and skills and to take up market promotion. In order to provide insurance cover to khadi artisans, a group insurance scheme in the name of Khadi Karigar Janashree Bima Yojana (JBY) was launched during 2003. The annual premium is Rs. 200 per beneficiary. The compensation under the scheme, in the case of natural death, is Rs. 30,000. In the case of accidental death it is Rs. 75,000, full permanent disability due to accident Rs. 75,500 and part permanent disability due to accident it is Rs. 37,500. As ‘add-on’ benefit without any additional premium, two school going children of the insured artisans studying in class ix & xii are eligible for a scholarship of Rs. 100 each per month. To promote khadi and village industry products in the national and international markets, KVIC organizes a number of exhibitions in different parts of the country and outside the country. The KVIC launched a Rural Industries...
Consultancy Service (RICS) to provide guidance, technical and managerial support to the prospective entrepreneurs while preparing projects; liaison with banks/other agencies/organizations/local authorities in respect of the project; assistance and support for implementing the project; procurement of raw materials and machinery; installation of machinery; quality control for acceptability and reliability; packaging and design for better marketing etc. During 2009, 73 RICS were opened in various parts of the country. The KVIC has initiated a "Ready-to-use" Mission during 2005-06 for khadi products. The Credit Guarantee Trust Fund for Micro, Small and Medium Enterprises (CGTMSME) approved extension of credit guarantee to loans advanced by the banks under the KVIC/PMEGP schemes under its Credit Guarantee Fund Scheme. The KVIC has taken steps to publicise this scheme in association with the Trust and the participating banks.

5.7 Small Industries Services Institute

The Small Industries Service Institute (SISI) was set up in 1956 in Hyderabad with the objective of rendering service for the promotion and development of small scale industries and entrepreneurship. In order to cater to the development needs of the state, three extension centers were set up one each in Hyderabad, Vijayawada and Papanaydupet. The extension centre at Sanatnagar has a Central Engineering Workshop with facilities for electro-plating and heat treatment, technical training, financial assistance, technical advisory services etc. The functions include: assistance to existing and prospective entrepreneurs in the selection of new units and expansion of existing capacities through economic and technical information, conducting economic surveys and preparing feasibility reports providing; technical guidance and assistance and information to entrepreneurs and small scale industries regarding requirements of large scale units for the development of ancillary industries and godown facilities to small scale units.

5.8 Federation of Associations of Small Industry of India

Federation of Associations of Small Industry of India (FASSI) was established in 1959 with the help of government of India. It has been rendering service to small scale industries such as helping exchange information among industries, business,
education and research institutions, particularly small scale industries. It provides common services to associate members and conduct training programmes.

5.9 Mahila Mandals

During 1958, CSWB has started a condensed course of education scheme for women. The objective is to provide education as well as employment to needy women, widows, destitutes and those belonging to economically backward classes. During 1961, Mahila Mandals (MMs) came into existence to take up certain existing welfare project centers. Out of the total expenditure of MMs, 75 per cent is borne by the CSWB and the remaining by the organizations themselves. During 1980s, CSWB developed the concept of family counseling to stop dowry deaths. The CSWB has spearheaded the campaign by setting up Voluntary Action Bureaus, which subsequently became Family Counseling Centers. The objective of the Family Counseling Centre is to provide preventive and rehabilitative services to women and families who are victims of atrocities and family mal-adjustments through crisis intervention and systematic counseling.

During 1986-87, CSWB has organized awareness generation camps with a view to identify the needs of poor rural women and thereby create awareness about developmental and other allied schemes. The CSWB has been providing shelter to women in distress since 1999. The short stay homes provide a protective respite to women who are without shelter for a variety of reasons. The CSWB provides maintenance grant to voluntary organizations to run working women’s hostels for working women belonging to lower income group. For the past few years, the CSWB has been carrying out a campaign to mould public opinion with a view to bring about social change. The Government of India designated 2001 as Women’s Empowerment year. Therefore, CSWB observed it as Women’s Empowerment pary. During 2002, voluntary organizations that do exemplary work in the special fields of activity and focus on the programmes of the CSWB were given recognition. During 2003, CSWB celebrated International Women’s Day by launching awareness campaign on the health of women under the slogan ‘Healthy Women-Happy Family’ in association with Ministry of Health & Family Welfare. The CSWB launched Manvi Samrakshan Abhiyan during 2004 to combat the evil of female foeticide.
5.10 Self Employed Women Association

Self Employed Women's Association (SEWA) is a trade union registered in 1972. It is an organization of poor and self employed women workers. There are women who earn a living through their own labour or small business. They do not obtain regular salaried employment with welfare benefits like workers in the organized sector. They are the unprotected labour force in the country and account for 93 per cent of labour force. Of the female labour force, more than 94 per cent are in the unorganized sector. SEWA's main goals are to organize women workers for full employment. Full employment means employment whereby workers obtain work security, income security, food security and social security. SEWA organizes women to ensure that every family secures full employment. By self reliance, we mean that women should be autonomous and self-reliant, individually and collectively, both economically and in terms of decision making ability.

SEWA is both an organization and a movement. The SEWA movement is enhanced by its being a sangam or confluence of three movements: the labour movement, the cooperative movement, and the women's movement. But it is also a movement of self-employed workers: their own, home grown movement with women as leaders. Through their own movement women become strong and visible. The economic and social contribution of women was recognized with globalization, liberalization and other economic changes. There are new opportunities as well as threats to certain traditional areas of employment. There is much to be done in terms of strengthening women's leadership, confidence, bargaining power within and outside homes and representation in policy making and decision making. Towards this end, SEWA supports its members in capacity-building and developing own economic organization.

5.11 A.P Women's Co-operative Finance Corporation

In Andhra Pradesh, the A.P. women's Co-operative Finance Corporation was established in 1975. It assists women entrepreneurs by providing finance to set up traditional and non traditional enterprises.
5.12 United Nations Development Fund for Women (UNIFEM)

The United Nations Development Fund for Women (UNIFEM) is the women's fund in the United Nations, which was established in 1976. It provides financial and technical assistance through innovative approaches aimed at fostering women's empowerment and gender equality. Today, its work touches the lives of women and girls in more than 100 countries. UNIFEM helps make the voice of women heard at the United Nations to highlight critical issues and advocate the implementation of existing commitments made to women.

Realising that human rights and security are at the center of all of its efforts, UNIFEM focuses its activities on four strategic goals like: reducing women's poverty and exclusion; ending violence against women; reversing the spread of HIV/AIDS among women/girls; and supporting women's leadership in governance and post-conflict reconstruction.

5.13 World Association of Small and Medium Enterprises

The World Association of Small and Medium Enterprises (WASME) is a professionally managed global non-governmental organization serving micro, small and medium-sized enterprises (SME) worldwide. WASME aims to be a strategic resource organization. It creates access to SMEs to know best practices through training, technology transfer and other business development services. WASME encourages linkages among SMEs and Governments, institutions and initiatives formed by business alliances.

IFAD was established in 1977 with the objective of fighting rural poverty. Its mission is to enable poor rural people to overcome poverty. IFAD focuses on country specific solutions, which involve rural people and providing access to financial services, markets, technology land and other natural resources. India is not only the largest recipient of IFAD's assistance, but also one of its main donors having a permanent seat in its Executive Board. IFAD's strategy centers on improving rural poor people's access to economic and social resources. In all operations, IFAD emphasizes the importance of strengthening people's capacities to establish and manage their own institutions. It supports self-help groups, community institutions and village development associations in tribal and non-tribal areas that work in
synergy with local self-government. These and similar groups participate directly in designing development initiatives. They become progressively responsible for programmes, project resources and management. The strategic priority is to empower women and other disadvantaged groups. IFAD has to develop replicable models through project activities. It acts as a catalyst in bringing innovative changes.

In areas such as microfinance and women's empowerment, IFAD-funded operations have tested institutional and technical innovations that have been scaled up by the government.

5.14 The country strategy of IFAD

Access to microfinance services which are particularly effective in empowering women; improving livelihood opportunities for communities in semi-arid tropical areas where better water management and new technologies for agriculture help reduce poverty; introducing development activities in the densely populated and impoverished mid-Gangetic plains; developing partnerships with non-governmental organizations and the private sector to reinforce community-based organizations; exploring possibilities for linkages with other donors and institutions; and promoting policy change through project activities are all parts of IFAD's strategy.

IFAD has developed close working relationships with other donors and agencies in India. It has a strong partnership with the World Food Programme (WFP) involving joint funding and supervision of projects as well as collaboration on advocacy and other initiatives. IFAD has also co-financed programmes along with international financial institutions.

5.15 Women Development Corporation

The government has set up Women's Development Corporations (WDC) in all the states during 1986-87. The WDC would take up schemes and projects to promote employment generation among women's groups and poorer sections of society. It identifies women entrepreneurs and helps them avail credit through banks and other financial institutions; promotes women's co-operatives; and arranges training through women's polytechnics and industrial training institutions.
5.16 All India Manufacturers Organization

All India Manufacturers Organization (AIMO) was set up in Bombay during 1987 with a view to encourage, motivate and guide prospective women entrepreneurs to set up industries. AIMO provides professional guidance to those women who aspire to set up business enterprises.

5.17 Industrial Development Bank of India

Industrial Development Bank of India (IDBI) has launched Mahila Udyam Nidhi (MUN) and Mahila Vikash Nidhi (MVN) schemes to assist women entrepreneurs from 1989. MUN provides 15 per cent assistance in equity for new units with project cost not exceeding Rs. 10 lakhs. Eligible entrepreneurs are required to contribute a 10 per cent margin. The scheme is operated through state financial corporations.

5.18 Entrepreneurial Development Institutes

In the literature, it is held that over 600 agencies and organizations are involved in the training of entrepreneurs in the country. The faith in this approach of "induced entrepreneurship" is further justified by Government policy on the promotion of small scale industries. The Executive Director of National Institute of Entrepreneurship and Small Business Development has emphasized the need to accelerate the pace of entrepreneurship development in the country. The number of trainers available in the country are less than the required. Relatively more number of master trainers are needed to train youth in rural industries.

5.19 Federation of Indian Women Entrepreneurs

The Federation of Indian Women Entrepreneurs (FIWE) came into being consequent on 4th International Conference of Women Entrepreneurs held at Hyderabad during December 1993. It was felt that the women's wing of NAYE should convert itself into an autonomous national level women entrepreneurs organization. Its main function should be networking and providing a package of services to associations of women entrepreneurs in different parts of the country. It was accordingly announced that NAYE women's wing will henceforth be known as Federation of Indian Women Entrepreneurs (FIWE) and will have chapters.
Associations of Women Entrepreneurs in various districts and states will be affiliated to it. Then they can avail various facilities and services which will be provided to women entrepreneurs in the country. Individual women entrepreneurs could become its members. The FIWE offers training in domestic and export marketing management, quality control and standardization, management of enterprises, laws, regulations, procedures and systems for running a small or a medium - size enterprise, sustaining growth, etc.

5.20 Associations of Women Entrepreneurs

Special mention may be made of small enterprises formed exclusively for women entrepreneurs. Existing women entrepreneurs who are reasonably well established in the small scale sector have promoted women entrepreneurs associations at state and national levels and district level associations have come up to enroll more women entrepreneurs in different districts. In Andhra Pradesh (AP), Association of Lady Entrepreneurs of Andhra Pradesh (ALEAP) is a prominent body formed in 1993. Its counterpart in Karnataka is Association of Women Entrepreneurs of Karnataka (AWAKE). It is much older than that of ALEAP. Both of them render yeoman service to women entrepreneurs in general and first generation women entrepreneurs in particular. They provide counseling and incubation services for prospective entrepreneurs, apart from encouraging existing entrepreneurs in a variety of ways. They offer special incentives and training facilities to women to take up entrepreneurial role. ALEAP has promoted a centre for Entrepreneurship Development in Andhra Pradesh, with financial support from the Government of India. The DC has established Integrated Infrastructure Development Centre (IIDC) at Gajularamaram in Ranga Reddy district. The ALEAP has promoted an industrial estate for women entrepreneurs. It has also established a Center for Entrepreneurial Development (CED) in the aforesaid location.

The common facility centers and information technology incubators at the industrial estates have been functioning for the last few years. They encourage prospective women entrepreneurs to set up enterprises at the estates with a view to utilize the infrastructure. Nearly 100 plots were allotted to ALEAP members in the well developed industrial estates. ALEAP has entered into strategic tie ups with various national and international agencies to provide women entrepreneurs access to
modern training facilities. Another tie up has been made with bazee.com, an action portal, which will facilitate auctioning of the products on its website. ALEAP has plans to set up a sub-contracting agency for small enterprises with financial support from the DC, SSI. ALEAP has created a Mutual Guarantee Fund (MGF) and set up ALEAP Credit Guarantee Association under section 25 of the Companies Act. The Credit Guarantee Trust for Small Industries (CGTSI), ALEAP and Andhra Bank have entered into a tripartite agreement to take up initiative forward. ALEAP members from all over A.P can look forward to obtain loans from banks and financial institutions for small enterprises. They can obtain assistance up to Rs. 25 lakhs without any collateral or third party guarantee. Jana Sikshana Samshathan (JSS) of the Union Ministry of Human Resource Development has been organising entrepreneurship development programmes of eight weeks duration for women continuously for the last few years with financial support from Small Industries Development Bank of India (SIDBI). Trained entrepreneurs avail credit facilities and plots in the industrial estate, besides technical counseling and escort services. Consequently, a number of women entrepreneurs were groomed within a reasonably short period.

5.21 Consortium of Women Entrepreneurs of India

At the national level, Consortium of Women Entrepreneurs of India (CWEI), New Delhi, is a common platform to help women entrepreneurs while evolving innovative techniques of production, marketing and finance. The members in the CWEI include NGOs, voluntary organizations, self help groups, institutions and individual enterprises, both from rural and urban areas, which collectively support and get benefited by the consortium. The CWEI takes up integrated activities linked with product development, manpower training and also acts as an intermediary between Indian entrepreneurs and overseas agencies in export marketing. Many associations at national and state level have women’s wings with focus on SSI sector. Women entrepreneurs are thus part of a large network of voluntary organizations. Individual entrepreneurs have to initiate steps to become members and solicit support as and when needed.
The South Asian Association for Regional Cooperation (SAARC) provides a platform for the people of South Asia to work together in a spirit of friendship, trust and understanding. It aims to accelerate the process of economic and social development in Member Countries. SAARC Chamber Women Entrepreneurs Council (SCWEC) is an arm of SAARC Chamber of Commerce and Industry (SCCI). It was established in Sri Lanka during 2001. The objectives are to develop and promote women entrepreneurs in the South Asian region. These include capacity building of women entrepreneurs through multifarious programmes, employing multipronged strategies; improved services of SEWEC for women entrepreneurs and women start-ups; enhanced partnership and networking of women entrepreneurs from SAARC member-countries; network with organization for shared utilization of available database, creation of new databases for viable marketing solutions; identifying sectors in need of immediate attention and improvements; learning growth improvement and job creation and drawing strength from SAARC countries and interlinking women entrepreneurs business to business.

SCWEC organizes various programme for SAARC countries. These are capacity building of women's organizations for people in the underdeveloped sector; sector improvements; quality certification; network with organizations; exhibitions; providing data base for marketing; making NGOs and SMEs eligible to send products manufactured by women entrepreneurs; NGOs and SMEs can send their products for SCWEC exhibitions in other countries; targeting rural-urban entrepreneurs; utilizing modern communication methods using computers, internet etc., providing information about intra regional markets in the developed countries; strategic management and planning; helping improve Public Relations and communication; helping Women entrepreneurs improve their knowledge of methods of marketing management; launching programme on income generating products and services; promoting regional integration; team building; importing training in food processing and handicrafts; identifying business opportunities; trade fair-strategic marketing and; conducting work shops on accounting procedures.
5.23 Incentive packages offered by Government of A.P

A.P offers incentive packages for industrial promotion in the state. A comprehensive policy for SME sector by the state government, broadly on the lines of national government. The recent policy for small and tiny enterprises and Information Technology related enterprises includes; focus on the creation of quality infrastructure, incentives for investors; building competency among different groups of entrepreneurs including women; enhancing competitiveness; export promotion; creating an environment friendly climate; attracting mega and foreign direct investment; providing access to unexplored markets; intellectual property rights, fostering industrial clusters; preventing industrial sickness; permitting units to exit, etc. For emerging product lines and thrust sectors, Government offers special incentives. State level institutions, public sector banks and specialized agencies, offer special concessions for women entrepreneurs.

For SSI and tiny units, 15 per cent subsidy on fixed investment, subject to a ceiling of Rs. 15 lakh is offered. Additional 5 per cent subsidy is provided subject to a limit of Rs. 5 lakh for SC, ST and women entrepreneurs. Another 5 per cent subsidy, subject to a limit of Rs. 5 lakh, is given for women belonging to SC/ST community. Investment subsidy is applicable for SSI and tiny units. Stamp and transfer duty will be reimbursed 100 per cent. A rebate of 25 per cent in land cost in industrial estates/ industrial development areas is allowed. Power cost is reimbursed at 75 paise per unit in the first year and revised rates in the remaining four years.

Twenty five per cent of tax paid in one financial year will be ploughed back as grant towards payment of tax for next year. This benefit will be available for five years from the date of commencement of production.

Three per cent interest subsidy on prime lending rate on term loan for a period of five years subject to a ceiling of Rs.5 lakh per year.

Five per cent of project cost subject to a ceiling of Rs. 5 lakh will be provided as seed capital for SSI/ tiny units promoted by SC/ST entrepreneur as grant for industries, which were sanctioned seed capital assistance by prime lending institutions under national equity fund. A subsidy of 8 per cent on capital equipment for technology upgradation is provided.
A subsidy of 50 per cent for quality certification, subject to a limit of Rs. One lakh, will be provided. Twenty five per cent subsidy on specific cleaner production technologies, subject to Rs. 5 lakh, will be allowed. A subsidy of 50 per cent on patent registration limited to Rs. 5 lakh will be provided.

6. Programmes

The following programmes are available to foster women entrepreneurship in the country.

6.1 NABARD Programmes

NABARD has initiated the Self Help Group (SHG) bank linkage programme during 1992 to encourage thrift and savings among the rural poor and to supplement their credit needs through the banking system. The features of the project are: voluntary agencies (VAs) / NGOs and other SHG promotional institutions, including banks, can play the role of a facilitator; SHG should have been in existence for at least six months actively promoting savings and lending among their members; SHGs are normally informal groups and the size of the group can be 5-20. Banks finance SHGs in proportion to the savings mobilized by the group. The proportion of savings to loan could vary from 1:1 to 1:4 depending on the assistance given by the bank. Now financing of SHGs became a part of main stream activities of banks.

Refinance and promotional schemes of NABARD are gender neutral i.e., both men and women are equally eligible for assistance. It has set up a women's cell at its head office in Mumbai and posted nodal officers in the regional offices to ensure focused attention on gender issues in credit and support services and also to evolve suitable policies and programmes for rural women. It has set up a Standing Advisory Committee on gender issues in credit and support services to guide the bank policies and programmes relating to rural women to evolve exclusive schemes for women such as assistance to rural women in non-farm development (ARWIND); to assist in the marketing of non-farm products of rural women (MAHIMA); to assist in the setting up of women's development cell by regional rural banks /co-operative banks; to support VAs/NGOs to help men and women; and to Provide bulk lending to women's micro/house hold enterprises through SHG linkage programme or otherwise.
During 1999, it has established Micro Finance Development and Equity Fund to provide start-up funds to micro finance institutions and infrastructure support for training, system management and data building. Special emphasis is placed on promotion of micro enterprises in rural areas set up by vulnerable sections including women, SCs, STs and OBCs. It has also set up a separate department called Micro Credit Innovations Department (MCID) in Mumbai and Micro Credit Innovation cells (MCICs) at regional level to meet the emerging challenges. The MCID formulates and coordinates various agencies apart from monitoring the progress of SHG – bank linkage programme. The active participation of women and timely loan repayment continue to be prominent features of Proactive measures such as enlisting partnerships, capacity building of partner agencies etc. which serve to expand the programme.

6.1.1 Assistance to Rural Women in Non-farm Development

Assistance to Rural Women in Non-farm Development (ARWIND) scheme envisages meeting the credit needs of rural women on group/cluster basis for financially viable activities in the non-farm sector (NFS) supplemented by need based credit related promotional programme. The scheme envisages group loaning to rural women and fosters group enterprises, mother units, ancililarisation concept with full back up support in the form of backward and forward linkages from voluntary/promotional organizations. The size of the group may vary from 5 to 10 women. The group may be linked by the sponsoring agency to a bank in the service area for provision of loan assistance for setting up of enterprises. The scheme has credit and grant components. Credit component is extended through banking channels and NABARD directly provides grant to the sponsoring agency. Bank credit is normally not to exceed Rs. 50,000 per woman member for an individual activity or group activity with 100 per cent refinance support from NABARD. Sponsoring agencies can include VAs/NGOs with at least three years of proven track record in assisting women’s groups, women’s development corporations, Khadi and Village Industries Commission/Board, co-operative societies, trusts, etc. NABARD considers need-based grant assistance to meet the sponsoring agency’s expenditure for organization of groups, sensitization, training and other related expenses. In case the sponsoring agency provides services such as supply of raw materials, quality control,
marketing, etc., such services undertaken by it are also eligible for financial assistance under NABARD’s credit linked promotional schemes viz., mother units, common service centers, artisan guilds, etc.

6.1.2 Assistance for Marketing of Non-farm Products of Rural Women

Assistance for marketing of non-farm products of rural women (MAHIMA) scheme covers at least 50 rural women, either individually or in groups, who are engaged in the manufacture of non-farm products. For marketing VAs/NGOs, registered institutions including cooperatives, federation of marketing organisations, any other promotional agency which undertakes the marketing of NFP products produced by rural women are eligible to obtain assistance under the scheme. They should have a proven track record and possess sufficient experience in the promotion and marketing of rural products. MAHIMA has both loan and grant component. Credit by way of 100 per cent refinance is admissible along with promotional grant or revolving fund assistance (RFA). Quantum of grant assistance from NABARD to the VAs/NGOs is limited to Rs. 2.5 lakhs at 25 per cent of project outlay of Rs. 10 lakhs for assisting a minimum of 50 women at Rs. 5,000 per woman, or 25 per cent of minimum sales turnover, to be achieved within three years, whichever is lower. It provides loan assistance through banks up to Rs. 10 lakh with 100 per cent refinance support. The ratio of grant to bank loan by way of refinance/ RFA will be 1:3. The RFA/refinance would be repayable over a period of five years including the moratorium. It is expected that the VAs/NGOs and other project proponents would contribute at least 10 – 15 per cent of project outlay as their share. RFA or loan is used for operating the programme while promotional assistance to VAs/NGOs is for activities to be undertaken by them to support individual manufacturing enterprises. If the agencies are unable to bring in their share of margin for bank loan, NABARD extends soft loan assistance by way of refinance for meeting the shortfall in margin money requirement. The margin money loan is interest free. The financing bank may levy a service charge of 3 per cent per annum.

6.2 Training of Rural Youth for Self Employment

As a supporting component of IRDP, the scheme of Training of Rural Youth for Self Employment (TRYSEM) was launched as a sub-scheme during 1992. Its aim
is to provide basic, technical and entrepreneurial skills to rural youth from the families below poverty line to enable them to take up self employment and wage employment in the fields of agriculture and allied sectors, namely, industries, services and business. The target group comprises rural youths between the age of 18 years and 35 years. The trades are both self-employment and wage employment oriented. In order to make training more employment oriented, all the technical training proposed is to be imparted in both the training institutions and in private establishments.

There is 50 per cent reservation for SC and ST communities. Wherever SC/ST persons are not available, the percentage meant for SC/ST may be allocated to other categories of artisans. There is no provision of reservation for women and physically handicapped persons. However, if eligible, preference will be given to such persons over other persons.

6.3 Rashtriya Mahila Kosh

The National Credit Fund for Women / Rashtriya Mahila Kosh (RMK) was setup as an independent registered society during 1993, with the initial corpus of Rs. 31crores, not to replace the banking sector but to fill the gap between what the banking sector offers and what the poor need. Its main objectives are to provide micro credit to poor women for income generation activities or for asset creation; adopt quasi- informal delivery system, which is client friendly, use simple and minimal procedures, disburse funds quickly and repeatedly, to have a flexible approach that links thrift and saving with credit and has low transaction cost both for the borrower and the lender; demonstrate and replicate participatory approaches in the organization of women’s groups for thrift and savings and effective utilization of credit; use the group concept and the provision of credit as an instrument of women’s empowerment, socio- economic change and development; cooperate with and secure the cooperation of the Government of India, state government, Union Territory administration, credit institutions, industrial and commercial organizations, NGOs and others in promoting the objectives of the kosh; disseminate information and experience among all the aforesaid agencies in the Government and non- government sectors in the area of microfinance for poor women; and receive grants, donations, loans, etc, for the furtherance of aims and objectives of the kosh.
The kosh has three main roles viz. wholesaling, market development and advocacy. Wholesaling role acts as a wholesaling apex organization for channelizing funds from government and donors to retailing intermediate microfinance organizations (IMOs). Market development role develops the supply side of microfinance market by offering institution building support to new and existing but-inexperienced IMOs by structures of incentives, transfer of technology, training of staff and other non-financial services. In the advocacy role, RMK acts as an advocate or agent for influencing development and micro-finance policy and creating a more enabling policy and legal environment for the spread of micro-finance activities in India. Being a creation and a representative of the government, RMK has a particular advantage in this area.

6.4 Indira Mahila Yojana

The first SHG based women's empowerment programme, Indira Mahila Yojan (IMY) was launched during 1995-96. It offers a holistic strategy for women's empowerment through group dynamics. This was brought in to empower women, both socially and economically, by ensuring their direct access to resources through a sustained process of mobilization and convergence of all the on-going sectoral programmes. The major components of IMY are; formation of viable women's groups; awareness generation and capacity building; income generation activities, both on farm and off farm; convergence of intersectoral services of the line departments; and neighbourhood improvement.

6.5 Programmes of Small Industries Development Bank of India

During 1996, the Government of India identified SIDBI as a major partner in implementing the United Nations Development Programme (UNDP) to support TREAD related entrepreneurship assistance and TREAD programme for women. Under the programme, it is envisaged that an integrated package of assistance would be provided to microfinance intermediaries. In this, the Government of India grants support up to one third of the project cost for capacity building of intermediaries and end users of credit. The remaining two-thirds of project cost is the loan component for undertaking income generating activities. NGOs assisting the poor are eligible for receiving such grant under TREAD. Under the scheme, women entrepreneurs in
different regions of the country can take up any non-farm activity, industries, services and businesses in a group made through NGOs. Out of the project cost, one third or at least 70 per cent is to be of grant directly utilized for the benefit of women entrepreneurs. NGOs can utilize the remaining for capacity building. Need based grant under TREAD is mainly provided for capacity building of implementing agencies; margin money equity support in the form of interest free loan; product and market development; skill training; data base; acquisition of computer and operationalisation of information management systems; participation in exhibitions and other marketing events; acquisition and creation of minimum essential infrastructure; conducting feasibility studies and payment of insurance premium on the productive assets acquired by the beneficiaries. The SIDBI has entered into a MOU with the Government of India, to place TREAD programme on a permanent footing.

The TREAD seeks to empower rural, semi-urban and urban women through the development of entrepreneurial skills, elimination of constraints faced by women and strengthening of trade support networks. The target beneficiaries covered under the programme fall into different categories of women entrepreneurs, largely poorer sections in rural and urban areas. The programme is targeted at women at various levels for entrepreneurial development and engaged in a range of activities such as manufacturing, trade and export. The programme covers established as well as emerging entrepreneurs or new entrants operating at individual or group levels in urban and rural locations. More specifically, the focus is on poor women in rural areas, through group entrepreneurship, largely uneducated; poor women in urban slums, through group entrepreneurship largely uneducated; educated established entrepreneurs with moderate income levels; and new entrants or emerging entrepreneurs families with moderate income levels.

The focus of the programme is on rural and urban poor women. Approximately, half of those covered under the programme will be rural poor, one-fourth will be poor women from urban slums while the remaining one-fourth will be established entrepreneurs and new entrants. Since the established entrepreneurs can bear the cost of training, the programme will ensure that they share the expenditure likely to be incurred on their training. In identified areas where the programme is

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being implemented, suitable cooperatives and NGOs with proven track record will be identified and a strategy is to be drawn for their involvement between the project and groups of artisans/women entrepreneurs at the grass roots level. Funds will be made available to support the select co-operatives and NGOs in organizing skill and entrepreneurship development programmes, necessary follow up and for undertaking trial production of new designs.

The identified training institutions nearer to the locations where the programme is to be implemented will be equipped to shoulder the responsibility of training women entrepreneurs. These include training of trainers programmes, EDPs and programmes for training at the grass roots level. Strengthening of infrastructure, acquisition of library and equipment, modernisation, faculty training and upgradation, linkages, networking with other training institutions, development of appropriate teaching materials, manuals and video cassettes, strengthening of training modules, etc, would form part of the programme. Design is a critical component in ensuring the salability of a product and, therefore, income generation and cash flow. The design component can transform a product from low end of the market to upper end of the market. Funds would be made available to organizations like National Institute of Design for development of designs for a few product groups in the context of the TREAD programme. Therefore, they can be replicated by rural and urban groups of artisans. Care should be taken to ensure that the designs developed meet the market needs, both domestic and foreign.

Organizations which help women entrepreneurs while marketing their products have to be provided access to new sources of supply, market research, trade information systems, demand forecasting, quality standards and market intelligence. In recognition of the fact that mere training can not enhance the role of women in manufacturing and trading, TREAD tries to provide a holistic package of trade support services. This package includes setting up of community-based production facility centres, technology assistance, access to easy and inexpensive credit, linkages between public and private marketing organizations, design assistance, market intelligence and participation of women representatives in policy implementation. Therefore, the programme emphasizes that entrepreneurship training should be strongly backed by efforts that will sustain production and trading activities organized
by women in the long run. This TREAD programme seeks to bridge the gap in the existing schemes for developing entrepreneurship among women by providing management and trade-related training, trade information, guidance, counseling and follow up at one end of entrepreneurial development spectrum. The other activities envisaged include: extension activities, transfer of marketable designs and production know-how, strengthening and helping establish production facilities combined with back up marketing skills, packaging input tie ups with marketing organizations and giving guidance and follow up at the group entrepreneurial level for rural and urban poor. Regular interaction between women entrepreneurs and various agencies including export promotion councils will be ensured.

Micro credit has emerged as a powerful tool to empower the poor to alleviate poverty. Credit programmes are envisaged to extend small loans to poor entrepreneurs for undertaking income generating activities which have the potential to make a dent on poverty. Micro credit programmes have received a major boost in terms of policy changes and quantum of finance, which are critical for the growth of micro finance sector. In order to provide financial assistance to the poor and meet the emerging needs of the micro finance sector, SIDBI is endeavoring to create and support a responsive credit delivery system for the poor at the micro level, especially in rural areas. Under MCS, assistance is channelised through Micro Finance Institutions (MFIs) and NGOs in small amounts and members are encouraged to plough back their savings to the group corpus fund, with a view to building the borrowers' equity over a period of time. MFIs and NGOs with good credibility and track record, with professional expertise, sound management practices and growth potential, are assisted under the scheme.

6.5.1 SIDBI Foundation for Micro Credit

When Micro Credit Programme reached the take off stage, a need was felt to expand its outreach by creating a national network of strong, viable and sustainable MFIs. For this purpose, SIDBI launched SFMC during 1999 with a corpus of Rs. One billion. The policies include: substantial relaxation in the security/collateral requirement; multi-channel credit dispensation routes through apex NGOs and specialized cooperatives; focus on encouraging micro finance product innovations; enhanced flow of assistance to micro finance sector with ultimate borrowers being
eligible for assistance up to Rs. 25,000 and simplification of procedures to avail assistance. The Foundation functions as a new department of SIDBI. The objectives of the foundation envisage not only providing financial assistance but also striving to build and strengthen the management capabilities of micro finance practitioners and related institutions. This has to be achieved through customised capacity building for achieving sustainability, economies of scale, desired outreach, etc., with a view to institutionalizing micro finance system in the country.

SIDBI Foundation provides a customized package of assistance to MFIs consisting of a mix of loan, equity and need-based assistance for capacity building. It endeavors to promote and develop these agencies into strong financial intermediaries which would act as major players in the micro credit segment, especially for reaching out to smaller NGOs and MFIs and for building their capabilities through management support inputs and training in credit delivery and usage. Besides, the programme also envisages promotion of the best practices and the introduction of innovative features that would contribute to the financial viability of micro credit programmes, which would, in turn ensure appropriate financial services to the poor. With the new emphasis being laid on institutional development, SIDBI Foundation will also strive to create a coherent policy framework for accelerating the micro movement in the country, by pioneering an effort for ‘capacity assessment rating’ of NGOs/MFIs. A special rating agency has been assigned with the task of rating select MFIs in the country.

The creation of Micro Finance Development Fund by Government of India during 2005 is another important initiative in the overall efforts to accelerate the flow of credit and other financial services to the poor. The capacity building initiatives of the SIDBI have augmented/ strengthened the functional/managerial capabilities of MFIs. They are now at a level at which they can access formal institutional credit on their own strength and dispense the same to the poor on a sustainable basis. Capacity assessment rating as an appraisal/ assessment tool has been accepted among the stakeholders. It is hoped that micro credit initiatives of the SIDBI will contribute to the development of an extensive and effective delivery channel for meeting the composite credit needs of the poor in the country.
Mahila Vikas Nidhi (MVN) of the SIDBI aims at economic development of women. The fund purports to empower women economically, especially among the rural poor by providing training and employment opportunities through the creation of necessary infrastructure facilities and creation of training centers. This involves setting up of Training-cum-Production Centres (TPCs). For this purpose, a judicious mix of loan and grant is extended to accredited NGOs. In addition, activities like vocational training, strengthening of marketing infrastructure for the products of the beneficiary group, arrangement for the supply of improved inputs, enhancement of production – cum – technology are covered under it. The SIDBI supports EDP of various categories. One of them is rural EDP and another for women. A unique feature of EDP is sanctioning grant/assistance to ‘suvik communications’. The programme of 13 episodes of women entrepreneurs aims at spreading awareness about various activities that can be taken up by women for income generation.

6.6 Swarn Jayanti Shahari Rozgar Yojana

Swarn Jayanti Shahari Rozgar Yojana (SJSRY) provides employment to urban unemployed or underemployed poor living below the poverty line. It is under the Union Ministry of Urban Development and implemented through municipalities at the field level under the guidance of District Urban Development Agency (DUDA) at the district level. The programme has two components, namely, self employment and wage employment. Urban poor families covered include individuals or persons in clusters. The emphasis is on urban poor clusters. Self employment programme focuses on the establishment of micro enterprises and skill development. Under Development of Women and Children in Urban Areas (DWCUA), special attention will be paid to women, SCs/STs/disabled persons, etc. Minimum educational qualification is not stipulated. It is inapplicable to persons with educational qualifications above 9th standard. Family income should not exceed Rs. 12,000 per annum at 1991-92 prices. The candidates should be residents of town for at least three years. In the family, none should be a defaulter to any bank/financial institution. Training of beneficiaries and others associated with the programme for upgradation and acquisition of vocational and entrepreneurial skills is an integral part of the programme.
The maximum unit cost is RS. 50,000 per beneficiary, with a back ended subsidy component at 15 per cent of project cost, up to a maximum of RS. 7,500; promoter’s contribution is envisaged as 5 per cent of project outlay. When two or more persons join the venture, the sum of permissible limits applicable to individuals will be applicable for the group. In respect of DWCUA, for groups of at least 10 women, subsidy will be at 50 per cent of the project cost subject to a limit of Rs. 1.25 lakh. The maximum revolving fund assistance to the group is up to RS. 25,000 at Rs. 1,000 maximum per member. It will be made available after one year of functioning of the group. Loan from banks will be available for projects of individuals or groups. This includes subsidy amount. Urban wage employment programme is applicable to urban areas with a population up to 5 lakhs as per 1991 census. Material – labour ratio for works under the programme shall be maintained at 60:40.

6.7 Swarnajayanti Gram Swarozgor Yojana

Swarnajayanti Gram Swarozgor Yojana (SGSY) is a holistic programme for micro enterprises. Organization of the poor and capacity building through SHGs, training, credit-cum-subsidy, technology, infrastructure and marketing intervention are some of the aims of the programme. The existing six rural development programmes have been integrated into SGSY from April 1999. SGSY aims at establishing a large number of micro enterprises in rural areas, covering beneficiaries belonging to different categories. The focus is on vulnerable groups among the rural poor and SCs/STs should account for 50 per cent of swarozgaris. Further, women should constitute 40 per cent and disabled, 3 per cent. In establishing micro enterprises, focus is on cluster approach. For this, four to five key activities would be identified in each block, based on resource endowments of the block, occupational skills of people and availability of markets. Though group approach is given preference, individual beneficiaries are also assisted. Creation of infrastructure, skill development, capacity building and promotion of marketing of goods are all part of the programme. Development of Women and Children in Rural Areas (DWCRA) is now an integral part of SGSY.

The objective of SGSY is to bring every assisted family above the poverty line in three years by helping it reach a monthly income of at least Rs. 2,000 after repaying the bank loan. Efforts would be made to cover 30 per cent of poor in each block in the
first five years of implementation. The SHG-bank linkage is pursued as part of the programme. The SGSY is a credit–cum-subsidy programme, credit being the major component and subsidy the minor. It extends multiple credit rather than one-time credit which is made available on credit-cum-subsidy basis. Subsidy is given only in the first instance. SGSY emphasizes on skill development through designed training courses. District Rural Development Agency (DRDA) sets apart 10 per cent of SGSY annual allocation for training. Training and Technology Development Centre (TTDC) is established at the district level under the umbrella of DRDA for organizing activities and counseling services.

SGSY would ensure upgradation of technology in each of the identified clusters and will provide market intelligence, help in the development of markets, provide consultancy services and makes institutional arrangement for marketing including exports. The existing infrastructure facilities for cluster of activities would be reviewed and gaps in investments will be filled through creation of SGSY infrastructure fund at DRDA level. One time subsidy given under SGSY will be uniform at 30 per cent of project cost subject to a maximum of Rs. 7,500. However, in the case of SC/ST swarogaries, subsidy would be at 50 per cent of project cost, subject to a maximum of Rs. 10,000. For group of swarozgaries, the subsidy would be at 50 per cent of project cost subject to a maximum of Rs. 1.25 lakhs. There is, however, no monetary limit on subsidy for irrigation projects.

6.8 Prime Minister's Rozgar Yojana

Under the prime Minister's Rozgar Yojana (PMRY), self employment ventures are promoted in urban and rural areas by educated unemployed youth. Ventures can be promoted in industrial, service, business and agro related activities. Funds will be provided for business enterprises, is less than one lakh rupees and others up to rupees two lakh. In the eligibility criteria, liberal provision has been made for women. Educational qualification prescribed is eighth standard. Preference will be given for candidates with technical/vocational training of at least six months. Family income should not exceed Rs. 40,000 per annum. Residence of three years is insisted upon. In the family, there should not be defaulter to any financial institution/bank or other institutional source. Two to five persons can join for promoting a venture, in
which case, the project outlay and subsidy amount will be multiples of amount admissible to an individual, based on the number of persons joining.

Admissible subsidy is Rs. 7,500 except northeastern region (Rs. 15,000) subject to 15 per cent of project outlay. The entrepreneurs have to contribute 5-12 per cent of project outlay as margin money in the north east and other specified states and 5 – 16.25 percent in other parts of the country. For business, the outlay is permitted upto rupees one lakh. Promoters contribution is 5 per cent in the north-east and other specified states and 5 – 12.5 per cent in other parts of the country. Subsidy and promoter’s contribution together should total 20 per cent of project outlay. In the selection of beneficiaries, preference is given to women. The percentage of reservation is 22.5 and 27 for SCs/STs and OBCs respectively. SHGs are eligible for assistance under PMRY. There is no upper limit for the sanction of loan. SHGs may undertake common economic activity for which loan is sanctioned based on project approach without resorting to onward lending to its members. Loan may be provided as per individual eligibility, taking into account the requirements of the project. SHG may consist of 5-20 educated unemployed youth fulfilling the eligibility criteria of PMRY. Subsidy may be provided to the SHG as per the eligibility of individual members subject to a maximum of Rs. 15,000 per person in the north east and other specified states and Rs. 7,500 in the rest of the country. The SHG members should collectively contribute the required margin money. Subsidy and margin money should be equal to 20 per cent of project outlay.

6.9 SBI Sree Shakthi Scheme

SBI Sree Shakthi Package is an exclusively designed scheme for promoting entrepreneurship among women. The package offers: EDP for women with or without formal training or exposure to business. Such programmes are conducted at over 70 training centers of banks all over the country; loans offered under the scheme would carry lower rate of interest; and the margin money requirement towards promoters contributions would be in the range of 0 - 20 per cent. The proposal seeking loans would be disposed off within 30 days.
6.10 National Rural Employment Guarantee Programme

There have been a number of employment schemes in the past. Most of them have not yielded desired results in bringing any security in people’s lives. Often people are not even aware of them. The historical National Employment Guarantee Act (NREGP) was passed during 2005. The basic idea of the new NREGP Act is to give legal guarantee of employment to any one who is willing to do casual manual labour at the statutory minimum wage. Thus the Act provides a universal and enforceable legal right to employment. It is the first step towards legal enforcement of right to work as an aspect of fundamental right to live with dignity. The Act protects rural poor households from poverty and hunger through providing 100 days employment during non-agricultural season in the financial year. It provides priority to women to cover at least one third of beneficiaries; provides means for organizing unorganized women work force (60%) and strengthens their bargaining power in the labour market and thus empowers women; provides minimum entitlements to labour to create congenial work environment for effective participation of women; and enhanced women participation can also bring change in power relation between men and women with in the household and foster gender equity in the society.

6.11 Prime Minister’s Employment Generation Programme

A new scheme titled ‘Prime Minister’s Employment Generation Programme’ (PMEGP) came into being during 2008 by merging existing PMRY and RGGP schemes of MSME. The scheme is estimated to generate 37.37 lakh additional employment opportunities during the Tenth plan. The main objectives of PMEGP are to generate employment opportunities in rural as well as urban areas; bring together widely dispersed traditional artisans/ rural and urban unemployed youth and give them self-employment opportunities to the extent possible, at their place; provide continuous and sustainable employment to a large segment of traditional and prospective artisans and rural & urban unemployment youth; and increase the wage earning capacity of artisans. Assistance under the scheme is available only for new projects sanctioned. The borrower is required to invest his own contribution of 10 per cent of project cost. In the case of beneficiaries belonging to SC/ST/OBC/Minorities/ Women/ Ex-services/ PH/ NER and Hill and Border areas etc., contribution is 5 per cent of the project cost. At national level, KVIC is the single nodal agency for
implementation of PMEGP. At the state level, scheme is implemented through state Directorates of KVIS; state Khadi and Villages Industries Boards (KVIBs) and District Industries Centers of State Government; 27 public Sector Banks, all Regional Rural Banks; and Small Industries Development Bank of India (SIDBI).
References


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