

CONTRIBUTION OF FINANCIAL INSTITUTIONS IN PROMOTING WOMEN ENTREPRENEURS

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Abstract : In India, women entrepreneurship is a recent topic which started only after the 1970s with the introduction of the Women's Decade (1975 to 1985) and which mostly picked up in the late 70s. This phenomenon was particularly visible only in the metropolitan and state capitals in India. It took a much longer time to percolate to the other cities and municipalities. Hence researches and publications in India in this new area are limited. The little that is available is the pioneering work done by certain organizations and institutions engaged in the promotion of entrepreneurship in the form of occasional studies leading to publication of an article now and then.

Key words: Financial Institutions , Promoting Women Entrepreneurs, certain organizations .

INTRODUCTION

Women entrepreneurs have been designated as the new engines for growth and the rising stars of the economies in developing countries to bring prosperity and welfare. Women entrepreneurs engaged in business due to push and pull factors which encourage women to have an independent occupation and stands on their own legs. A sense towards independent decision-making on their life and career is the motivational factor behind this urge. Under the influence of these factors the women entrepreneurs choose a profession as a challenge and as an urge to do something new. Such a situation is described as pull factors. While in push factors women engaged in business activities due to family compulsion and the responsibility is thrust upon them.

I. Research methodology of study

The research is based on the secondary data available in the reports of various governmental and non-governmental financial institutions helping women entrepreneurs.

II. Objective and Research methodology of study

The study is planned with the following objective

- To study the impact of financial institution assistance on economic indicator for women entrepreneur.
- To study credit disbursed under various schemes to women entrepreneur.
- To study the difficulties faced by women entrepreneur in obtaining finance.

A) Financial schemes for women entrepreneurship:

With a view that women entrepreneurs should come forward in industrial field and become self-sufficient, governmental and financial institutions have announced many schemes of providing financial assistance. Seed Capital Scheme- In order to start one's own business this scheme is undertaken by the government. Mohanty (2004) suggested that various self-employment and income generating schemes such as IRDP, SEEUY, PMRY, SSI, KVI and DWCRA implemented in Orissa have made significant

contribution towards economic empowerment and self-employment of women and development of women entrepreneurship. Important government agencies are Directorate of Industries, Khadi and Village Industries Board, Small Industries Service Institutions, Mahila Vikash Sambhaya Nigam and Rashtriya Mahila Kosh were contacted for this purpose. The Rashtriya Mahila Kosh mainly fulfills the credit needs of poor women particularly, those engaged in the unorganized sector not being adequately addressed by the formal financial institutions. RMK aims at promoting small enterprises among poor women through provision of credit as an instrument to socio-economic change and development through the provision package of financial and social development service for the development of women entrepreneurship. Gupta (1997) found that the empowerment of women central government of India has started Priyadarshani Yojna in the name of late Prime Minister Smt. Indira Gandhi. Through this scheme loan on minimum interest is provided to women for entrepreneurship development to improve their livelihood. As a pilot project this scheme has been launched in six districts: four districts (Raipur, Sitapur, Shravasti and Behraich) are in Uttar Pradesh and two (Sitamani and Madhubani) in Bihar.

B) Impact of financial institution assistance on economic indicator for women entrepreneurship:

As per the study conducted by various agencies following was the impact of financial assistance on women entrepreneurs:

- i. Rashtriya Mahila Kosh (The National Credit Fund for Women) was created by the Government of India in 1993. Its purpose is to provide lower income women with access to loans to begin small businesses. It disbursed around 16.31 cr in year 2011-2012 which raised to 18.18 cr in 2012-2013 with an aim to reach 25 cr in 13-14.
- ii. RMK provides 100% refinance assistance to Mahila Urban Co-operative Banks on finances provided by them to poor women either directly or through SHGs within the norms of the RMK Main Loan Scheme.
- iii. As high as 13% of the total women owned enterprises are concentrated in the state of Kerala. The state of Kerala where literacy among women is the highest in India provides a good example of women entrepreneurship. As on March 31, 2004, there were 1782 women-run industrial units in Kerala. Of these 1592 were proprietary concerns, 42 charitable institutions, 43 partnership concerns, 3 joint stock companies and 102 cooperatives societies.
- iv. Women who were financially strong have actively participated in political and social process. They are helpful in creating awareness regarding issues faced by women as well finding solution for the same.
- v. Studies and research on women entrepreneur widely highlighted the fact that women entrepreneur has been quite successful in creativity and innovation based working process.

C) Difficulties faced by women entrepreneurship in obtaining finance:

- i. The greatest deterrent to women entrepreneurs is that they are women. A kind of patriarchal – male dominant social order is the building block to them in their way towards business success. Male members think it a big risk financing the ventures run by women.
- ii. The financial institutions are skeptical about the entrepreneurial abilities of women. The bankers consider women loanies as higher risk than men loanies. The bankers put unrealistic and unreasonable securities to get loan to women entrepreneurs.
- iii. The women entrepreneurs are suffering from inadequate financial resources and working capital. The women entrepreneurs lack access to external funds due to their inability to provide tangible security. Very few women have the tangible property in hand.
- iv. Bhardwaj and Parashar (2011) stated major hurdles that the women face during starting and running a company generally come from financing and balancing of life. The balancing of life is caused due to lack of family support for the women. The other hindering external factors include gender discrimination, inaccessibility to information, training opportunities, infrastructure etc. Some internal factors like risk aversion by women, lack of confidence, lack of vision of strategic leader etc. can also create obstacles for the women entrepreneurship development.
- v. Banks also ask for lot of paper work which deter women entrepreneur from approaching banks for finance.

III. Suggestions

Financial institutions can take following steps in this direction:

- The financial institutions should provide more working capital assistance both for small scale venture and large scale ventures.
- More governmental schemes to motivate women entrepreneurs to engage in small scale and large-scale business ventures. Involvement of Non-Governmental Organizations in women entrepreneurial training programs and counseling.
- State finance corporations and financing institutions should permit by statute to extend purely trade related finance to women entrepreneurs.
- Skill development to be done in women's polytechnics and industrial training institutes. Skills are put to work in training-cum-production workshops. Vocational training to be extended to women community that enables them to understand the production process and production management.
- Repeated gender sensitization programs should be held to train financiers to treat women with dignity and respect as persons in their own right.
- Making provision of micro credit system and enterprise credit system to the women entrepreneurs at local level.
- Workshops and seminars should be frequently organized for the officials and supporting agencies and for women entrepreneurs to make their relations more cordial.

IV. CONCLUSION

Over the past few decades the women has been breaking traditional role of a mother or a house wife. But the rural women entrepreneurs' movement in India is still in transitory stage and has a long way to go. The movement requires pre and post-follow-up support to utilize women power in the country's economic development. Various factors like positive reinforcement and negative reinforcement influencing women entrepreneurs. Successful leading businesswomen in India are ideal role model for our country. Government takes various steps for the uplifting of women entrepreneurs in 7th five year plan, 8th five year plan and in 9th five year plan. Women entrepreneurship must be molded properly with entrepreneurial traits and skills to meet the changes in trends, challenges global markets and also be competent enough to sustain and strive for excellence in the entrepreneurial arena.

V. REFERENCES

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