Factors Affecting
Women Entrepreneurship in
Small and Cottage Industries in India

Dr. S.P. Mishra

NOVEMBER 1996

International Labour Organization
South Asia Multidisciplinary Advisory Team

Swedish International Development Cooperation Agency
# Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preface</td>
<td>vii</td>
</tr>
<tr>
<td>Foreword</td>
<td>ix</td>
</tr>
<tr>
<td>List of Abbreviations</td>
<td>xi</td>
</tr>
<tr>
<td>List of Tables &amp; Figures</td>
<td>xiii</td>
</tr>
<tr>
<td><strong>Chapter I: Introduction</strong></td>
<td>1</td>
</tr>
<tr>
<td>1.1 Problem Formulation</td>
<td>1</td>
</tr>
<tr>
<td>1.2 Objectives of the Study</td>
<td>1</td>
</tr>
<tr>
<td>1.3 Methodology</td>
<td>1</td>
</tr>
<tr>
<td><strong>Chapter II: Status of Women in India</strong></td>
<td>2</td>
</tr>
<tr>
<td>2.1 Introduction</td>
<td>2</td>
</tr>
<tr>
<td>2.2 Women in India: A Historical Perspective</td>
<td>2</td>
</tr>
<tr>
<td>2.3 Demographic Status</td>
<td>3</td>
</tr>
<tr>
<td>2.4 Health &amp; Medical Status</td>
<td>3</td>
</tr>
<tr>
<td>2.5 Educational Status</td>
<td>4</td>
</tr>
<tr>
<td>2.6 Domestic Status</td>
<td>4</td>
</tr>
<tr>
<td>2.7 Occupational Status</td>
<td>4</td>
</tr>
<tr>
<td>2.8 Legal Status</td>
<td>5</td>
</tr>
<tr>
<td>2.9 Measures for Improvement of Status</td>
<td>5</td>
</tr>
<tr>
<td><strong>Chapter III: The Small Scale Sector in India</strong></td>
<td>6</td>
</tr>
<tr>
<td>3.1 Introduction</td>
<td>6</td>
</tr>
<tr>
<td>3.2 Small Scale Industries in India</td>
<td>6</td>
</tr>
<tr>
<td>3.3 Policy Overview</td>
<td>7</td>
</tr>
<tr>
<td>3.4 New Industrial Policy</td>
<td>7</td>
</tr>
<tr>
<td>3.5 Highlights</td>
<td>7</td>
</tr>
<tr>
<td>3.6 Performance</td>
<td>7</td>
</tr>
<tr>
<td>3.7 Projection</td>
<td>8</td>
</tr>
<tr>
<td><strong>Chapter IV: Status of Women Entrepreneurs in the Small Scale Sector in India</strong></td>
<td>9</td>
</tr>
<tr>
<td>4.1 Introduction</td>
<td>9</td>
</tr>
<tr>
<td>4.2 Number of Women Entrepreneurs</td>
<td>9</td>
</tr>
<tr>
<td>4.3 Impetus for Growth in Number of Women Entrepreneurs</td>
<td>10</td>
</tr>
<tr>
<td>Chapter V: Women Entrepreneurs: Context &amp; Challenges</td>
<td></td>
</tr>
<tr>
<td>---------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>5.1 Introduction</td>
<td></td>
</tr>
<tr>
<td>5.2 Overview</td>
<td></td>
</tr>
<tr>
<td>5.3 The Socio-Cultural Context</td>
<td></td>
</tr>
<tr>
<td>5.4 Conceptualising the Idea</td>
<td></td>
</tr>
<tr>
<td>5.5 Translating the Idea into a Concrete Business Plan: Project Formulation</td>
<td></td>
</tr>
<tr>
<td>5.6 Implementing the Project</td>
<td></td>
</tr>
<tr>
<td>5.7 Project Operation</td>
<td></td>
</tr>
<tr>
<td>5.8 Expansion</td>
<td></td>
</tr>
<tr>
<td>5.9 Problems faced by Women Entrepreneurs in Enterprise Establishment Survival and Expansion</td>
<td></td>
</tr>
<tr>
<td>5.10 Conclusion</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chapter VI: Gender Differences in Entrepreneurship</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1 Introduction</td>
</tr>
<tr>
<td>6.2 Motivational Aspects</td>
</tr>
<tr>
<td>6.3 Demographic and Socio-Personal Differences</td>
</tr>
<tr>
<td>6.4 Psychological Differences</td>
</tr>
<tr>
<td>6.5 Enterprise Differences</td>
</tr>
<tr>
<td>6.6 Performance Differences</td>
</tr>
<tr>
<td>6.7 The Feminine Entrepreneur Versus the Successful Entrepreneur</td>
</tr>
<tr>
<td>6.8 Implications for Training</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chapter VII: Characteristics of Women Entrepreneurs</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Chapter VIII: Promotional Efforts: Policies, Programs and Institutional Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.1 Introduction</td>
</tr>
<tr>
<td>8.2 Policy Landmarks</td>
</tr>
<tr>
<td>8.3 National Level Poverty Alleviation Programs</td>
</tr>
<tr>
<td>8.4 Support to Training-cum-Employment Programs for Women (STEP)</td>
</tr>
<tr>
<td>8.5 Integrated Rural Development Program (IRDP)</td>
</tr>
<tr>
<td>8.6 Development of Women and Children in Rural Areas (DWCRA)</td>
</tr>
<tr>
<td>8.7 Training of Rural Youth for Self-Employment (TRYSEM)</td>
</tr>
<tr>
<td>8.8 Socio-Economic Programme (SEP)</td>
</tr>
</tbody>
</table>
8.9 Rashtriya Mahila Kosh (RMK)
8.10 Mahila Samruddhi Yojna (MSY)
8.11 Indira Mahila Yojna (IMY)
8.12 Vocational Training Programmes for Women
8.13 Nehru Rozgar Yojna
8.14 Prime Minister Rozgar Yojna
8.15 Assistance to Women Cooperatives
8.16 Science and Technology Projects for Women
8.17 National Commission for Women (NCW)
8.18 Employment and Income Generating Training-cum-Production Units for Women
8.19 The integrated Women's Empowerment and Development Project, Haryana
8.20 Trade Related Entrepreneurship Assistance and Development for Women
8.21 Women's Development Corporations (WDCs)
8.22 Central Government Institution
8.23 Schemes Available through Banks
8.24 State Level Financial Packages for Women
8.25 National Level Training Institutions
8.26 State Level Specialized Training Institutions
8.27 Others
8.28 National Level Women Entrepreneurs Associations and Organizations
8.29 State Level Women's Organizations/Associations
8.30 NGO Initiatives

Chapter IX: Summary and Recommendations
9.1 Findings
9.2 Recommendations

References

Annexures
I. Small Scale Sector: Some Common Problems
II. Problems Faced by Women Entrepreneurs: A Literature Survey
III. Figures
Preface

The emergence of women entrepreneurs and their contribution to the national economy is quite visible in India. The number of women entrepreneurs has grown over a period of time, especially in the 1990s. Women entrepreneurs need to be lauded for their increased utilization of modern technology, increased investments, finding a niche in the export market, creating a sizeable employment for others and setting the trend for other women entrepreneurs in the organized sector.

While women entrepreneurs have demonstrated their potential, the fact remains that they are capable of contributing much more than what they already are. In order to harness their potential and for their continued growth and development, it is necessary to formulate appropriate strategies for stimulating, supporting and sustaining their efforts in this direction. Such a strategy needs to be in congruence with field realities, and should especially take cognizance of the problems women entrepreneurs face within the current system.

The present study report is an effort in this direction. An attempt has been made to document available information regarding the status of women entrepreneurs, against the backdrop of the socio-economic context and the attendant challenges they face.

The project has been sponsored by the International Labour Organization. Mr. Gerry Finnegan, Senior Specialist on Small Enterprises and Management Development, ILO-SAAT, took a deep interest in this study and provided his guidance throughout.

The completion of this project is the result of the well-matched professional commitment of Ms. Poornam Krishnan who showed her excellent competence in putting stray thoughts together, more meaningfully and effectively. Ms. Archana Mathur, Dr. Padma Iyer and Dr. C. Rani extended their help in data collection and analysis. The hardwork of Kamlesh Padmanathan coupled with her consistent optimism despite all odds, enabled us to put together this document in a presentable format.

The team looks beyond the present study, hoping to get greater satisfaction, once this work has the tangible consequence of helping towards the larger goal of assisting women entrepreneurs in the small scale sector, in setting up and managing their ventures within a more conducive and supportive socio-economic environment.

Dr. S.P. Mishra
Project Director
Foreword

This report is part of the regional Asia project for the promotion of entrepreneurship among women in small and cottage industries (RAS/92/M12/SWC). The Project was funded by the Swedish International Development Cooperation Agency (Sida) and executed by the South Asia Multidisciplinary Advisory Team of the International Labour Organization, ILO-SAAT, in close cooperation with the ILO Area Office in New Delhi.

One of the key activities undertaken under this project has been to commission country studies to assess the status—barriers and constraints, as well as opportunities and support mechanisms—of women's entrepreneurship in the five participating countries, viz. India, Nepal, Philippines, Sri Lanka and Thailand. The present study on India prepared by Dr. S.P. Mishra, is the third in the series of studies published by ILO-SAAT. Mr. Garry Finnegan, Senior Small Enterprise and Management Development Specialist, provided the overall coordination and technical guidance to the study and Vandana Verma, Research Officer, contributed the technical inputs.

The study brings together an extensive amount of information on various entrepreneurship and women's development programmes introduced in India. There is an assessment of the current position of women entrepreneurs, as well as of the existing support programmes such as credit, training and marketing support, for women to establish their own enterprises. The study looks at the socio-cultural, educational and legal barriers to women's entrepreneurship in India. It also includes profiles of most of the key agencies involved in promoting women's entrepreneurship and recommendations for policy-makers aimed at enhancing the economic empowerment of women throughout the country.

A document such as this is likely to raise as many questions as it provides answers. This can be due in part to the paucity of well-researched published material, both in India and elsewhere, on this important topic. It can also be as a result of the sheer vastness and scope of the issue under consideration. It may also come from underlying biases which tend to play down the significance of women's entrepreneurship in many countries. The Government of India and key United Nation's agencies—such as the ILO—as well as major bilateral agencies such as Sida, are giving more prominence to programmes of poverty alleviation and employment creation, with a particular focus on women. Although many of them promote income-generation and small enterprise development as a means of achieving their objectives, there is a general lack of awareness of the significant factors which impact upon the enterprise development process, particularly in the case of women entrepreneurs.

The effectiveness, including the cost-effectiveness and impact of such support programmes, is an area worthy of further research. Such research should focus on a cross-section of women entrepreneurs, including members of women-specific groups, partly to provide greater visibility for women's entrepreneurship, and partly to provide role models for potential women entrepreneurs—particularly for young women entering the labour market for the first time. As the problems of
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARS</td>
<td>Automatic Re-finance Scheme</td>
</tr>
<tr>
<td>ARWIND</td>
<td>Assistance to Rural Women in the Non-Farm Sector</td>
</tr>
<tr>
<td>AWAKE</td>
<td>Association of Women Entrepreneurs in Karnataka</td>
</tr>
<tr>
<td>CAPART</td>
<td>Council for Advancement of Peoples Action and Rural Technology</td>
</tr>
<tr>
<td>CED</td>
<td>Centre for Entrepreneurship Development</td>
</tr>
<tr>
<td>DGS&amp;D</td>
<td>Director General of Supply &amp; Distribution</td>
</tr>
<tr>
<td>DST</td>
<td>Department of Science &amp; Technology</td>
</tr>
<tr>
<td>DWCRA</td>
<td>Development of Women and Children in Rural Areas</td>
</tr>
<tr>
<td>EDII</td>
<td>Entrepreneurship Development Institute of India</td>
</tr>
<tr>
<td>EDP</td>
<td>Entrepreneurship Development Programme</td>
</tr>
<tr>
<td>EGS</td>
<td>Employment Guarantee Schemes</td>
</tr>
<tr>
<td>FASSI</td>
<td>Federation of Association of Small Scale Industries</td>
</tr>
<tr>
<td>FICCI</td>
<td>Federation of Indian Chamber of Commerce &amp; Industry</td>
</tr>
<tr>
<td>ICDS</td>
<td>Integrated Child Development Scheme</td>
</tr>
<tr>
<td>ICECD</td>
<td>International Centre for Entrepreneurship and Career Development</td>
</tr>
<tr>
<td>ICWE</td>
<td>Indian Council of Women Entrepreneurs</td>
</tr>
<tr>
<td>IDBI</td>
<td>Industrial Development Bank of India</td>
</tr>
<tr>
<td>IEDUP</td>
<td>Institute of Entrepreneurship Development, Uttar Pradesh.</td>
</tr>
<tr>
<td>IFCI</td>
<td>Industrial Finance Corporation of India</td>
</tr>
<tr>
<td>IIIE</td>
<td>Indian Institute of Entrepreneurship</td>
</tr>
<tr>
<td>IPR</td>
<td>Industrial Policy Resolution</td>
</tr>
<tr>
<td>IRDP</td>
<td>Integrated Rural Development Programme</td>
</tr>
<tr>
<td>IITI</td>
<td>Industrial Training Institute</td>
</tr>
<tr>
<td>KSFCC</td>
<td>Karnataka State Financial Corporation</td>
</tr>
<tr>
<td>KVIB</td>
<td>Khadi &amp; Village Industries Board</td>
</tr>
<tr>
<td>KVIC</td>
<td>Khadi &amp; Village Industries Commission</td>
</tr>
<tr>
<td>MCED</td>
<td>Maharashtra Centre for Entrepreneurship Development</td>
</tr>
<tr>
<td>MVN</td>
<td>Mahila Vikas Nitchi Scheme</td>
</tr>
<tr>
<td>NABARD</td>
<td>National Bank for Agriculture and Rural Development</td>
</tr>
<tr>
<td>NAYE</td>
<td>National Alliance of Young Entrepreneurs</td>
</tr>
</tbody>
</table>
running a small enterprise can be very different from those encountered at the start-up stage, it would also be worthwhile to undertake studies into the factors which encourage or inhibit the growth of women's enterprises in India. Once available, this information should prove to be most useful for Government, donor organisations, NGOs, women's support organisations, and indeed for the women entrepreneurs themselves.

As the executing agency for this Project, ILO-SAAT is eager to receive comments, suggestions or additional information relating to the theme of this paper.

A.S. Oberai
Director
South Asia Multidisciplinary Advisory Team (SAAT)
International Labour Organization (ILO)

New Delhi
November 1996
**List of Abbreviations**

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARS</td>
<td>Automatic Re-finance Scheme</td>
</tr>
<tr>
<td>ARWIND</td>
<td>Assistance to Rural Women in the Non-Farm Sector</td>
</tr>
<tr>
<td>AWAKE</td>
<td>Association of Women Entrepreneurs in Karnataka</td>
</tr>
<tr>
<td>CAPART</td>
<td>Council for Advancement of Peoples Action and Rural Technology</td>
</tr>
<tr>
<td>CBD</td>
<td>Centre for Entrepreneurship Development</td>
</tr>
<tr>
<td>DGS&amp;D</td>
<td>Director General of Supply &amp; Distribution</td>
</tr>
<tr>
<td>DST</td>
<td>Department of Science &amp; Technology</td>
</tr>
<tr>
<td>DWCRA</td>
<td>Development of Women and Children in Rural Areas</td>
</tr>
<tr>
<td>EDI</td>
<td>Entrepreneurship Development Institute of India</td>
</tr>
<tr>
<td>EDP</td>
<td>Entrepreneurship Development Programme</td>
</tr>
<tr>
<td>EGS</td>
<td>Employment Guarantee Schemes</td>
</tr>
<tr>
<td>FASSI</td>
<td>Federation of Association of Small Scale Industries</td>
</tr>
<tr>
<td>FICCI</td>
<td>Federation of Indian Chamber of Commerce &amp; Industry</td>
</tr>
<tr>
<td>ICDS</td>
<td>Integrated Child Development Scheme</td>
</tr>
<tr>
<td>ICBED</td>
<td>International Centre for Entrepreneurship and Career Development</td>
</tr>
<tr>
<td>ICWE</td>
<td>Indian Council of Women Entrepreneurs</td>
</tr>
<tr>
<td>IDBI</td>
<td>Industrial Development Bank of India</td>
</tr>
<tr>
<td>ISDUP</td>
<td>Institute of Entrepreneurship Development, Uttar Pradesh</td>
</tr>
<tr>
<td>IFCI</td>
<td>Industrial Finance Corporation of India</td>
</tr>
<tr>
<td>IE</td>
<td>Indian Institute of Entrepreneurship</td>
</tr>
<tr>
<td>IPR</td>
<td>Industrial Policy Resolution</td>
</tr>
<tr>
<td>IRDP</td>
<td>Integrated Rural Development Programme</td>
</tr>
<tr>
<td>ITI</td>
<td>Industrial Training Institute</td>
</tr>
<tr>
<td>KSFC</td>
<td>Karnataka State Financial Corporation</td>
</tr>
<tr>
<td>KVIB</td>
<td>Khadi &amp; Village Industries Board</td>
</tr>
<tr>
<td>KVIC</td>
<td>Khadi &amp; Village Industries Commission</td>
</tr>
<tr>
<td>MCED</td>
<td>Maharashtra Centre for Entrepreneurship Development</td>
</tr>
<tr>
<td>MVN</td>
<td>Mahila Vikas Nidhi Scheme</td>
</tr>
<tr>
<td>NABARD</td>
<td>National Bank for Agriculture and Rural Development</td>
</tr>
<tr>
<td>NAYE</td>
<td>National Alliance of Young Entrepreneurs</td>
</tr>
</tbody>
</table>
NCW : National Commission for Women
NCWE : National Council of Women Entrepreneurs
NIESBUD : National Institute for Entrepreneurship & Small Business Development
NISIET : National Institute of Small Industries Extension Training
NITCON : Northern Industrial Technical Consultancy Organization
NPP : National Perspective Plan
NRWC : National Resource Center for Women
NRDC : National Research Development Corporation
NREP : National Rural Employment Programme
NRS : New Refinancing Scheme
NSIC : National Small Industries Corporation
NSITEDB : National Science & Technology Entrepreneurship Development Board
PMRY : Prime Minister Rozgar Yojna
RLEG : Rural Landless Employment Guarantee Program
RUDSET : Rural Development for Self Employment and Training
SC : State Corporation
SEEU : Self Employment Scheme for Educated Unemployed Youth
SEPUP : Self Employment Programme for Urban Poor
SEWA : Self Employed Women's Association
SFC : State Finance Corporation
SIDBI : Small Industry Development Bank of India
SIDC : Small Industrial Development Corporation
SIDO : Small Industry Development Organization
SIET : Small Industry Extension Training Institute
SISI : Small Industries Service Institute
SSC : Secondary School Certificate
SSI : Small Scale Industry
SSLC : Senior School Leaving Certificate
STEP : Support to Training-cum-Employment Program for Women
TCo : Technical Consultancy Organizations
TREAD : Trade Related Entrepreneurship Assistance and Development for Women
TRYSEM : Training of Rural Youth for Self-Employment
WBFC : West Bengal Finance Corporation
WDC : Women Development Corporation
WDP : Women Development Program
List of Tables & Figures

<table>
<thead>
<tr>
<th>Tables</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Emerging Trend of Women Trained in EDP for Establishing Enterprise</td>
<td>9</td>
</tr>
<tr>
<td>II. Sector-wise Distribution</td>
<td>12</td>
</tr>
<tr>
<td>III. Investment-wise Distribution</td>
<td>13</td>
</tr>
<tr>
<td>IV. Employment Generation by the Women Owned Enterprises (Category-wise Distribution)</td>
<td>14</td>
</tr>
<tr>
<td>V. Problems faced by Entrepreneurs during Start-up Phase</td>
<td>40</td>
</tr>
<tr>
<td>VI. Socio-Personal Characteristics</td>
<td>43</td>
</tr>
<tr>
<td>VII. Motivating Factors</td>
<td>44</td>
</tr>
<tr>
<td>VIII. Psychological Attributes</td>
<td>45</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Figures</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Sex Ratio</td>
<td>91</td>
</tr>
<tr>
<td>II. Life Expectancy</td>
<td>91</td>
</tr>
<tr>
<td>III. Infant Mortality(Rural/Urban)</td>
<td>92</td>
</tr>
<tr>
<td>IV. Literate Population Percentage</td>
<td>93</td>
</tr>
<tr>
<td>V. Employment Position of Women</td>
<td>93</td>
</tr>
<tr>
<td>VI. Sector-wise Distribution</td>
<td>94</td>
</tr>
<tr>
<td>VII. Investment-wise Distribution</td>
<td>95</td>
</tr>
<tr>
<td>VIII. Employment Generation by the Women Owned Enterprises (Category-wise Distribution)</td>
<td>96</td>
</tr>
</tbody>
</table>
CHAPTER I

Introduction

1.1 Problem Formulation

It is estimated that presently women entrepreneurs comprise about 10% of the total entrepreneurs in India. It is also clear that this percentage is growing every year. If prevailing trends continue, it is not unlikely that in another five years, women will comprise 20% of the entrepreneurial force in India. In terms of numbers, one would estimate at least 5 lakh women entrepreneurs at the turn of the century.

It is perhaps for these reasons that international agencies like ILO would like to understand the context of women entrepreneurs in India and evolve appropriate developmental strategies to suit their needs.

1.2 Objectives of the Study

The study was planned with the following objectives:

- To portray a profile of women entrepreneurs and their enterprises in the small scale sector;
- To explore gender differences in entrepreneurial characteristics;
- To identify problems unique to women in setting up and running their enterprises;
- To document existing policies, programmes, institutional networks and the involvement of support agencies in promoting women’s entrepreneurship.

1.3 Methodology

An extensive literature review of secondary data sources was undertaken as relevant to the stated objectives of the study.

In order to fill in secondary data gaps on topics such as employment, investment and sector-wise distribution of women entrepreneurs, raw data was obtained from 14 States from the Offices of the Development Commissioner (SSI), Government of India. To supplement data obtained from secondary sources, a few case studies were obtained and incorporated in the report.

This study has been conducted within a short time frame. Thus the scope of the study is limited. Since secondary sources of data were relied upon it was difficult to maintain uniformity in sample size for comparative analyses of various aspects related to women entrepreneurs. Also, qualitative analysis has been used in the main, to arrive at conclusions rather than rigorous statistical analyses.

---

1. In the countries of South Asia, one lakh is the equivalent of 100,000 (one hundred thousand) once crore the equivalent of 10,000,000 (ten million).
CHAPTER II

Status of Women in India

2.1 Introduction

Women constitute not only half the world population but also sway the growth of the remaining half. They produce half the world’s food supply and account for 60% of the working force but comprise only about 30% of the official labour force, receive benefits of only 10% of the world’s economy and surprisingly own less than 1% of the world’s real estate. They have little access to productive resources and negligible control over family income.

This discrimination is the result of the gender bias which forms an inherent part of global society. Some of the visible and reported gender bias malpractices prevalent in Indian societies are female foetus termination, killing the girl child at birth, less nutrition, medical care, education and freedom due to preference for the male child, marriage before puberty, dowry death, legal discrimination, professions exclusively earmarked for men, precarious widow-life, etc. While such practices and activities are prevalent in Indian Society, they are fortunately not the lot of every Indian women and are confined to certain communities and sections of society.

Even in such a situation the important role of women in procreation, upkeep, management and development of the family, as well as in performing diverse economic, social, political, religious, national and international roles, cannot be denied. Despite the fact that they deserve equal status, honour, dignity, rights and consideration, certain complex factors have reduced the status of women in human society to a lower level, leading to gender biases generally manifested in a loss of freedom, drudgery, malnutrition, and economic and sex exploitation.

2.2 Women in India: A Historical Perspective

Women have occupied a significant, albeit paradoxical place in Indian society through the ages. This is evident in historical accounts, ancient stories, poetry and narrations. Throughout, women have been viewed as the pivot around which the family revolves.

In the Vedic Age, women enjoyed a privileged status, in no way less than men. After the Vedic Age, the position of women in society weakened. Further, during the Muslim period the customs and traditions which advocated subordination of women exacerbated prevalent Hindu thinking of the time. Seclusion of women, for reasons of security and respectability, female infanticide, and other such practices became commonplace at the time of Muslim rule and persisted thereafter. At a later period in history, during the early British regime, the situation was no better.

However, with the passage of time, the British presence had the effect of generating self-awareness among women and they made their presence felt in the freedom struggle. Thousands
came forward as volunteers at the call of Mahatma Gandhi who spurred the movement for women's emancipation. He addressed women directly, inspiring and encouraging them to shed their stereotyped roles and render their services to society as educators, politicians and working professionals.

The twentieth century saw the emergence of Mahila Samitis and other organisations devoted to the upliftment of women. They educated society about the ill-effects of the purdah system, child marriage and ill-treatment of widows. They campaigned for equal rights for women in franchise and education. As a consequence of their efforts and women's indirect participation in the World War, “the Indian Reforms Act of 1921 enfranchised a small section of Indian population for the first time and women were also included” (Devi 1982). Thus, the situation has gradually improved with time.

2.3 Demographic Status

The variation in the sex ratio (women per thousand men) in India had gradually declined (Fig. 1) and is expected to remain stable at the present estimate of 931. The ratio is divergent with geographical position and urban/rural locations in each state.

The life expectancy of women and men are approximately the same. The average variation is 0.9 year. The life expectancy remained constant at 26 years up to 1925, and then it increased linearly at the rate of 5.6 years per decade. The present estimate is 62 years (Fig. 1).

The average marriage age for woman had crossed 18 years, the legal minimum, in 1981. The fertility rate is 4.6 births per woman. Age-specific death rate data indicates higher mortality rate for infant children and adults in rural areas.

2.4 Health and Medical Status

A series of sample surveys of the health and medical status of women and men in several areas has been undertaken. Some important findings are:

(i) Even the nutritional status of the children in Punjab, the richest Indian state, indicates clearly that 20 per cent female child as against 40 per cent of the male child could acquire normal nutritional status. Similarly 35 per cent female child have been found with moderate malnutrition as against 20 per cent male child.

(ii) Significantly 50 per cent of the female child (sitting) went without any medical aid as against 31 per cent male child.

(iii) Intake of various food items by the female child (age 3-9 years) is generally significantly less than of males. Calories intake of children and adults increases with family income, but the figures for female are generally less than that of male.

(iv) Incidence (morbidity percentages) of diseases based on deficiencies and infections are generally more for female child.

(v) At the time of child birth, a large percentage of births are attended by untrained professionals.

(vi) The mortality percentage of females is always higher than that of males in both rural and urban area (Fig. III).

All the above findings confirm that the female child found less care and attention.
2.5 Educational Status

The present estimated male and female literacy percentages are 62 and 38 respectively. The enhancement of male and female literacy is 0.7 and 0.5 per cent per year (Fig. IV).

An analysis of the enrolment of girls and boys in different levels of education brings to light clearly that female child enrolment at all levels is significantly less than the male child.

The enrolment, as well as the sex ratio of girls, decreases with enhancement of educational level. The facilities for secondary and onwards levels of education are available mostly in urban areas and are utilized largely by upper castes and upper middle economic group of people. The sex ratio of women is about 450 (to every thousand males) at all levels of education beyond middle school level. At the initial two levels it is around 650 and 500 respectively. In general the number of females getting education is half of that of males.

2.6 Domestic Status

The principal familiar roles of a woman in Indian Society are, procreation, child rearing and home management, while a man is considered to be the breadwinner for the family and is supposed to manage its external affairs. This is applicable to most of the upper and middle class families in both urban and rural areas.

In rural areas, a large number of women have to walk long distances to procure water, fuel and fodder for the household. About 40% villages have severe water shortages. Often, women have to spend up to four hours a day to procure water for household consumption. Similar time and effort is compulsorily required for procurement of fuel and fodder.

Thus, the patriarchal nature of society, gender-based division of labour, discrimination in resource allocation and remuneration, meagre assistance by community development programs, the notion of women’s income only as a subsidiary contribution, the predominantly male inheritance system, etc., have perpetuated male dominance and chauvinism in Indian Society.

2.7 Occupational Status

Of all workers belonging to the informal or unorganized sector, 90% are women; 80% are engaged in agriculture and allied activities and 10% in other activities. Unskilled workers constitute 90% of rural and 70% urban women workers. All poor women, especially those below the poverty line, have to perform domestic duties and also supplement family income. Since they are unskilled, they do not have any principal occupation. They are subjected to economic exploitation with low and discriminatory wages. Legislation on wages, maternity benefits, child care, social security, etc., have not benefitted most of them. Plans, programs and legislation do not discriminate against women but their implementation mechanisms perpetuate injustice and deny them the opportunity of availing the benefits of the developmental process.

The participation of women in income generation for the family has been increasing over time.

Women members and executive members in trade unions are 7.5% and 1.0% respectively. Most of the job opportunities in the organized sector (central, provincial, local self-government and private establishments employing 10 or more individuals) are availed of mostly by the urban population.
and that too by educated and economically stronger sections of society. Some of the jobs are exclusively for men although women have started entering some male-dominated domains. Although legally there isn’t supposed to be any discrimination against women, this is not reflected in practice. It is also significant to find that the employment exchanges have rendered very meagre assistance to women, as is apparent from Fig. V.

2.8 Legal Status

With regard to inheritance and property rights, the present laws discriminate against women. Land records do not incorporate the rights of women, and property records are in the name of the husband or father. Land reform measures have not given due recognition to the interest of the woman as co-owner or co-cultivator of land. Consequently, a woman’s life is economically dependent on the will of her husband, father or other male member of the family. Successive land reforms, instead of helping women to obtain and retain ownership of land and property, have instead been to their detriment. Most women landholders have been reduced to landless labourers.

2.9 Measures for Improvement of Status

A concerted effort appears to be essential to improve the status of women. This requires a multipronged approach, particularly in areas like:

- Legislative measures for the benefit of women workers;
- Administrative machinery to control human rights violation, economic and physical exploitation, physical injury and violence etc;
- Appropriate interventions through Government/non-governmental organizations and programs;
- Efforts by print and electronic media in projecting a positive image of women, and
- International efforts and influence to address issues pertaining to women’s rights, etc.
CHAPTER III

The Small Scale Sector in India

3.1 Introduction

During the 15 years ending 1987-88, the small scale sector witnessed an average growth of 8 to 9%. From merely 0.178 million small scale units at the end of the Fourth Plan, the number has risen to 1.70 million in 1988-89.

However, since then the growth rate has declined sharply and during 1992-93 it was around 5.6% with only 1.8% growth in the overall industrial production. The year 1993-94 witnessed a growth of over 7%. The number of small scale units was about 2.5 million in 1994-95. By the end of the Eighth Plan it is expected to achieve the target of 3.5 million, an indicative figure based on registration data of units at the district level.

During the year 1995-96 the small scale sector is set to achieve 8 to 10% growth, largely due to corrective measures initiated by the Government.

3.2 Small Scale Industries in India

Small Scale Industries in India consist of village and small industries which are further subdivided into two broad sub-sectors, namely modern small industries and traditional industries. The former covers SSIs and powerlooms, and the latter consists of village industries, khadi, sericulture, handcrafts and coir industries.

With effect from April 2, 1991, the small scale industry sector has been subject to the following operational definitions:

- Small Scale Industries: The investment in plant and machinery (original value) is up to Rs. 60 lakhs.
- Ancillary Industrial Undertaking: The investment limit is Rs. 75 lakhs, and at least 50% of its output should go to other industrial undertakings.
- Export-Oriented Unit: The investment limit in plant and machinery is Rs. 75 lakhs, and there is an obligation to export at least 30% of its production by the end of 3 years from the date of commencement of production.
- Tiny Enterprise: One with investment in plant and machinery up to Rs. 5 lakhs, irrespective of location.
- Small Scale Service and Business Enterprise: Industry related to a service and business enterprise, with investment in fixed assets (excluding land and building) up to Rs. 5 lakhs, irrespective of location.
- Women’s Enterprise: A small unit where one or more women entrepreneurs have not less than 51% financial holding.
3.3 Policy Overview

A new Industrial Policy announced in 1991 added vitality and growth to the SSIs and tiny enterprises through substantially delicensing, deregulating, debureaucratizing and placing greater faith in young entrepreneurs. The policy has been debated in different forums for its contribution towards liberalisation of the economy and its suitability to bring India a greater share in the world market.

3.4 The New Industrial Policy

Besides raising the investment limits of SSIs and tiny enterprises under the new Industrial Policy, the service sector has been accepted as part of the SSI sector. Easier access to institutional finance, integrated infrastructure development, priority in government purchase programs, setting up of Export Development Centres, involvement of industrial associations, common testing facilities, simplification of rules and procedures, and massive training support for promoting first generation entrepreneurs are some of the stated thrust areas of the new Industrial Policy.

In respect of the Women Entrepreneurs, the New Industrial Policy states that:

"Women entrepreneurs will receive support through special training programs. Definition of "women's enterprises" will be simplified. The present stipulation regarding employment of majority of women workers would be dispensed with and units in which women entrepreneurs have majority share holding and management control would be defined as women's enterprises."

3.5 Highlights of SSI Sector

- About 8,000 products are being manufactured by small scale industries.
- The share of the small sector in gross value of output of the entire manufacturing sector is estimated to be about 35 percent.
- About 14 million people are estimated to have been provided with employment by small scale industrial units by the end of March 1995.
- SSIs contributed 34% of the total value of exports in 1993-94.
- Small scale factory establishments accounted for 6.6% of the total fixed assets of all factories; provided employment to 40% of the total employment in the factory sector; held a share of 24% of gross output and 20% of the net value added by manufacture (ASE 1988-89).

3.6 Performance

Small Scale Industries in India have shown remarkable performance in the past decade. A summary of the performance on selected indicators are given below:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of SSI units (millions)</td>
<td>1.576</td>
<td>1.701</td>
<td>2.40</td>
</tr>
<tr>
<td>Production (millions of rupees)</td>
<td>873,000</td>
<td>1,068,750</td>
<td>2,365,250</td>
</tr>
<tr>
<td>Export (millions of rupees)</td>
<td>43,729</td>
<td>N.A.</td>
<td>177,850</td>
</tr>
<tr>
<td>Employment Generation (millions)</td>
<td>10.7</td>
<td>11.9</td>
<td>13.94</td>
</tr>
</tbody>
</table>
3.7 Projections

- Increase in number of SSI units
- Increase in overall production
- Export promotion
- More job creation
- Use of advanced technology
- Industrialization of backward areas, zero industry districts and difficult areas
- Inclusion of service sector
- Development of rural economy through rural industrialization
- Encouraging participation of younger generation and women in economic activities.

Thus, over the years a firm foundation has been laid for the growth and consolidation of the SSI Sector through active policy support and creation of a viable institutional framework. This is not to say that the small scale sector is without its problems. Problems do exist which need to be tackled and which would make the sector healthier and more conducive for growth. Some of the problems faced in this sector are provided in Annexure I.
CHAPTER IV

Status of Women Entrepreneurs in the Small Scale Sector

4.1 Introduction

HAVING understood the context of women in India and after obtaining a bird’s eye view of the small scale sector, it is now pertinent to examine women entrepreneurs functioning within this socio-economic environment.

4.2 Number of Women Entrepreneurs

There is no national level data which indicates the number of small scale industries owned by women. However, sporadic attempts have been made to find out this number on the basis of purposive samples drawn from different parts of the country. An attempt is also made here to arrive at possible numbers through secondary sources of information. The data are mostly obtained from apex promotional organizations and institutions, both at the national and state levels. In order to find out the emerging trend of women entrepreneurs in terms of numbers, data from different years could be obtained but not from the same organizations and not in the same states. Obviously this raises a variety of methodological issues but limited though the data may be, it is possible to draw broad inferences based on what is available.

Table 1: Emerging Trend of Women Trained in EDP for Establishing Enterprise

<table>
<thead>
<tr>
<th>Source</th>
<th>Total Participants</th>
<th>No. of Women Participants</th>
<th>% Female ENT to Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Status Analysis Report</td>
<td>49,883</td>
<td>6,117</td>
<td>8.25</td>
</tr>
<tr>
<td>NIESBUD (1984-85)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NITCON, Chandigarh (1986-89)</td>
<td>437</td>
<td>45</td>
<td>9.85</td>
</tr>
<tr>
<td>SIDO (1985-90)</td>
<td>73,911</td>
<td>7,214</td>
<td></td>
</tr>
<tr>
<td>NIESBUD Report (86-90)</td>
<td>2,027</td>
<td>236</td>
<td></td>
</tr>
<tr>
<td></td>
<td>76,938</td>
<td>7,450</td>
<td></td>
</tr>
<tr>
<td>KSFIC (1988-90)</td>
<td>44,164</td>
<td>4,919</td>
<td></td>
</tr>
<tr>
<td>SIDO (1990-91)</td>
<td>7,926</td>
<td>373</td>
<td>11.02</td>
</tr>
<tr>
<td>SIDO (1992-93)</td>
<td>5,647</td>
<td>1,161</td>
<td></td>
</tr>
<tr>
<td></td>
<td>58,517</td>
<td>6,453</td>
<td></td>
</tr>
<tr>
<td>QUDKT (1993-94)</td>
<td>6,529</td>
<td>1,176</td>
<td>25%</td>
</tr>
<tr>
<td>IEDUP (1994-95)</td>
<td>2,231</td>
<td>353</td>
<td></td>
</tr>
<tr>
<td></td>
<td>9,160</td>
<td>2,302</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2,150</td>
<td>429</td>
<td></td>
</tr>
<tr>
<td>III (1994-95)</td>
<td>1,019</td>
<td>160</td>
<td>24.70</td>
</tr>
<tr>
<td>IEDUP (1994-95)</td>
<td>6,445</td>
<td>1,789</td>
<td></td>
</tr>
<tr>
<td>RUDGET (1994-95)</td>
<td>9,624</td>
<td>2,378</td>
<td></td>
</tr>
<tr>
<td>Overall</td>
<td>1,27,706</td>
<td>15,640</td>
<td>12.64</td>
</tr>
</tbody>
</table>
It is evident from Table 1, that:

- The percentage of women entrepreneurs has grown over a period of time. From 8.25% during the early 80s to 9.85% during the early 90s, the percentage has further grown to 11.29 during 1990-93. The percentage of women entrepreneurs showed a remarkable growth during 1993-94, and this 25% growth was sustained during 1994-95. On the basis of the overall sample, the percentage of women entrepreneurs is found to be about 13% only.

- Growing numbers have arisen either on the basis of the potential women candidates participating in the training programs, or on the basis of numbers of women who have already set up the enterprises.

- The assumed success rate is the national average of 30%, which is endorsed by various studies including the NIESBUD report (1992) on this issue.

On the basis of the growing number of women entrepreneurs in the country, an inference could also be drawn that India has realized the significance of the untapped human resource within its female population. The contributions made by female entrepreneurs, even at a conservative estimate of between 10 to 15 percent, would appear to be quite significant. This seems to be one of the reasons why special emphasis is accorded to promote women entrepreneurs, both at the policy and planning levels.

4.3 Impetus for Growth in Numbers of Women Entrepreneurs

Encouraged by the performance of women in economic activities, several promotional organizations formulated programs especially for women, a deviation from the earlier approach where programs were not gender specific. The Small Industry Development Bank of India (SIDBI), a pioneering financial organization, was set up at the national level for the promotion and development of small scale industry in the country. SIDBI has initiated a plan to promote women entrepreneurs through entrepreneurship training programs conducted exclusively for women. The programs are held at reputed training institutions all over the country. It is heartening to note that SIDBI sponsored 115 such programs in more than 20 different states, and provided potential women candidates with the opportunity to enhance their competencies in enterprise establishment and management.

Besides SIDBI, other organizations like SIDO at the national level, delineate women as a special category in their programs which include entrepreneurial training and different management-related programs. These efforts are further strengthened by entrepreneurship associations and voluntary organizations, like AWAKE, SEWA, FICCI, etc., which have taken initiatives to launch specialized programs for women.

In addition to targeted specific programs, NIESBUD, an apex national institute, initiated product-process oriented EDPs for both men and women. The concept was well accepted, as was evident from the higher success rate of these programs as compared to regular EDPs (NIESBUD, 1990). Training programs loaded with product-based practical inputs in the following areas, were found to be popular:

- Ready-made garments
- Dress designing
- Food products
Export oriented handicraft items
Plastic products
Soft toys
Herbal preparations for beauty parlours

These programs had both a tangible and intangible impact. While the tangible impact could be seen in terms of number of trained entrepreneurs setting up different types of enterprises, the intangible impact is still more impressive in terms of awareness being created in the society at large, to bring women into the mainstream of economic development.

4.4 Tangible Program Impact

Entrepreneurship development training programs for women have not only stimulated them to take up economic activity, but also helped them in setting up their enterprises. The percentage of women succeeding in this endeavour varies widely depending on the type of program attended, the place it was held and the support provided after the training. While the success rate in general is reported to be around 30 percent at the national level, a few studies have been conducted which point to the success of women in particular. In a follow-up report (1990-92) MCRB, Maharashtra, reported 59 out of 176 women entrepreneurs setting up enterprises, thus accounting for 33%, while Mali (1992) reported 351 out of 1518 prospective entrepreneurs from the north-eastern region setting up different enterprises which accounted for only 23.3%. (Iyer, 1992) indicated that the success rate of trained women entrepreneurs was more than men. While the overall success rate was reported to be 31% in Uttar Pradesh, the success rate of women only, trained in women EDPs, is reported to be 40%. The fact of women trainees being more successful as compared to their male counterparts, has been reported by different state level organizations as well. Even if this is considered to be tentative and a location-specific trend, it is certainly a healthy one, especially in view of the special emphasis accorded to women's development programs.

The following sections provide an idea of the sector-wise distribution of women entrepreneurs in the small scale sector, and the size of investment they start with, as well as employment generation and ownership patterns.

4.5 Sector-Wise Distribution

There is a severe paucity of data with regard to the sector-wise distribution of women entrepreneurs in India. While several studies analyze samples in terms of sectoral distribution, this issue has not been found to be the overriding concern of any of the studies. Thus, within limited sample sizes, respondents are classified in accordance with the sector they fall into; no rigorous sector break-down and distribution of female entrepreneurs in each of the sub-sectors is to be found in the Indian context. An exception to this is the study by (Padi, 1995) where the sample is sizable; however, since this study pertains to the state of Karnataka and KSIFC beneficiaries, it is difficult to generalize findings to the overall context of small scale women entrepreneurs in the country.

Researchers vary also in their classification of sectors. For instance (Mali, 1995) saw the study sample as having either resource based, demand based or skill based enterprises. (Iyer, 1993) distinguished between job work, service oriented, manufacturing, public relations and advertising.
Although some researchers attempt limited sectoral break-downs, it is difficult to compare trends across studies. For example, Singh and Sengupta (1990) classify respondents in terms of those engaged in ancillary products, printing, chemical industries, handloom, leather and food items. Shah (1991) classifies respondents as falling into the following categories: general, chemical, textile/hosiery and engineering.

To arrive at indicative trends, for the purpose of this paper, a sample of 471 women entrepreneurs from 14 states was obtained and analyzed in terms of their sectoral distribution (Table II).

### Table II: Sector-wise Distribution

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Product</th>
<th>No of enterprises</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Electrical</td>
<td>7</td>
<td>1.49</td>
</tr>
<tr>
<td>2.</td>
<td>Electronic</td>
<td>10</td>
<td>2.12</td>
</tr>
<tr>
<td>3.</td>
<td>Food Products</td>
<td>66</td>
<td>14.60</td>
</tr>
<tr>
<td>4.</td>
<td>Textile &amp; Garments</td>
<td>98</td>
<td>28.00</td>
</tr>
<tr>
<td>5.</td>
<td>Leather &amp; allied</td>
<td>15</td>
<td>3.18</td>
</tr>
<tr>
<td>6.</td>
<td>Plastic &amp; Rubber</td>
<td>44</td>
<td>9.54</td>
</tr>
<tr>
<td>7.</td>
<td>Chemical</td>
<td>53</td>
<td>11.25</td>
</tr>
<tr>
<td>8.</td>
<td>Pharmaceutical</td>
<td>9</td>
<td>1.92</td>
</tr>
<tr>
<td>9.</td>
<td>Service &amp; Trading</td>
<td>75</td>
<td>15.92</td>
</tr>
<tr>
<td>10.</td>
<td>Glass &amp; Ceramics</td>
<td>6</td>
<td>1.28</td>
</tr>
<tr>
<td>11.</td>
<td>Wood</td>
<td>18</td>
<td>5.83</td>
</tr>
<tr>
<td>12.</td>
<td>Mechanical &amp; Engg. including metal work</td>
<td>33</td>
<td>7.0</td>
</tr>
<tr>
<td>13.</td>
<td>Construction</td>
<td>7</td>
<td>1.49</td>
</tr>
<tr>
<td>14.</td>
<td>Agro-based</td>
<td>7</td>
<td>1.49</td>
</tr>
<tr>
<td>15.</td>
<td>Paper</td>
<td>14</td>
<td>2.98</td>
</tr>
<tr>
<td>16.</td>
<td>Others</td>
<td>9</td>
<td>1.91</td>
</tr>
</tbody>
</table>

| Total | 471 | 100.00 |

It is evident from the data that the concentration of women entrepreneurs (about 21%) is in the textile and garment sector, followed by service and trading (15%) and food products (14%), areas which are commonly thought of as being traditional choices for women entrepreneurs in any case.

That there is a conglomeration of women in the textile/handloom and garment industry, has been reported by several other researchers. Singh et. al. (1990) reported the maximum number of women (20.8%) in their sample to be in the handloom and garment sector. Similarly, (Padaki, 1984) reported 35% of the sample to be in textile and garment related enterprises and, in addition to this, confirmed the trends regarding large numbers of women being in the business/service sector (34%) and food processing (17%).

However, it is also clear that the remaining about 50% women who opt for non-traditional enterprise choices, do so in innovative and high technology areas like chemicals, plastics, rubber, mechanical and metal-ware, wood products, etc.
4.6 Investment-Wise Distribution

Studies on investment-wise distribution of women entrepreneurs too, while available, are conducted on limited sample sizes, in different parts of the country, and with different investment categories used by the various researchers. Keeping these limitations in mind, it is however, possible to extrapolate in very broad terms, from these studies.

Singh and Sengupta (1988) found that about 84% of women started their enterprise with an initial investment up to Rs. 5 lakh, about 5% started with Rs. 5-10 lakhs and 11% started with over Rs. 10 lakhs. Shah (1990) corroborated this trend, finding 86% of the sample establishing their enterprises with investments ranging from Rs. 25,000 to Rs. 5 lakhs. Mishra (1991), studying women entrepreneurs in seven states, found that if one included micro-entrepreneurs, up to 93% of the respondents started with an initial investment of less than Rs. 5 lakhs. Iyer (1993) reported 74% of women entrepreneurs to have an initial investment of up to Rs. 5 lakh and 26% with investments ranging from Rs. 5-50 lakhs. Mal, studying women entrepreneurs in the North-Eastern states of Assam, Meghalaya, Manipur, Tripura, Nagaland and Mizoram, reported that 98.3% had an investment range up to Rs. 5 lakhs.

In order to observe the emerging trend of investment ranges among women entrepreneurs, a sample of 48 women from 13 states was analyzed. It was seen that about 83% of the sample, established their enterprise in the investment range of Rs. 25,000 to Rs. 5 lakhs while only 8% had an initial investment of Rs. 5-10 lakhs, and 9% invested from Rs. 10-55 lakhs in establishing their business (See Table III).

<table>
<thead>
<tr>
<th>Investment Range</th>
<th>No. of Units</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Upto 25 thousand</td>
<td>108</td>
<td>22.50</td>
</tr>
<tr>
<td>(2) 25 to 50 thousand</td>
<td>77</td>
<td>16.04</td>
</tr>
<tr>
<td>(3) 50 to 1 lakh</td>
<td>66</td>
<td>13.54</td>
</tr>
<tr>
<td>(4) 1 to 3 lakhs</td>
<td>103</td>
<td>21.46</td>
</tr>
<tr>
<td>(5) 3 to 5 lakhs</td>
<td>48</td>
<td>10.00</td>
</tr>
<tr>
<td>(6) 5 to 10 lakhs</td>
<td>37</td>
<td>7.71</td>
</tr>
<tr>
<td>(7) Above 10 Lakhs</td>
<td>42</td>
<td>8.75</td>
</tr>
<tr>
<td></td>
<td>460</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Based on these studies, it can be seen that:

- While women do tend to start with lower investments, there is a significant number of women entrepreneurs who establish their business with large sums of capital. A sizable number of women entrepreneurs fall into the investment range of Rs. 10-50 lakhs.

- The upper limit for investment has increased for women entrepreneurs.

- The investment range for women entrepreneurs seems to be growing with the increased limit of tiny and small scale industries through the recent policy announcement.

Perhaps as a consequence of the New Industrial Policy, women entrepreneurs will be encouraged to start enterprises with higher investment levels.
4.7 Employment Generation

It is inevitable that entrepreneurs, irrespective of gender, will provide a significant source of employment through their enterprises. The general notion that women entrepreneurs hardly generate employment for others does not seem to hold true when one examines available data.

Mishra (1991), analyzing a sample of over 3,000 respondents from 6 different states, found that a significant number of women provided employment to 5-50 persons. While 37.56% women employed from 5-9 persons, 9.06% women entrepreneurs employed between 10-14 individuals, and about 10% of the sample employed 15 or more individuals.

Similarly, Padaki (1994) found that the average number of persons employed by women entrepreneurs in her sample was 6.92. A similar finding has been reported by the Center for Entrepreneurship Development, Gujarat (1990), which reported that the average employment generation of women’s enterprises was 7.18 persons. It was further noted that 234 women employees were found in the 100 units promoted by the women entrepreneurs.

In order to ascertain recent trends in employment generation by women entrepreneurs, a sample of 363 women entrepreneurs was obtained from 14 states. As can be seen in Table IV, a significant percentage of women entrepreneurs generate employment for 5-9 persons, even though the maximum frequency is still observed in the 1-4 category. It is interesting to note however, that about 15% of enterprises owned by women generate employment ranging from 10-30 persons.

<table>
<thead>
<tr>
<th>Nos.</th>
<th>1-4</th>
<th>5-9</th>
<th>10-14</th>
<th>15-19</th>
<th>20-29</th>
<th>30 &amp; above</th>
</tr>
</thead>
<tbody>
<tr>
<td>363</td>
<td>175</td>
<td>132</td>
<td>30</td>
<td>10</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>100%</td>
<td>48.22</td>
<td>36.36</td>
<td>8.27</td>
<td>2.76</td>
<td>2.76</td>
<td>2.76</td>
</tr>
</tbody>
</table>

As further research topics, it would be interesting to study employee satisfaction in women’s enterprises, as well as the proportion of men and women employees in the enterprise.

4.8 Nature of Ownership

Ownership determination has been very difficult to arrive at in the Indian context since often ownership is more on paper rather than in actual practice. It is not uncommon to find an enterprise registered in the name of a woman being run by men. This trend is however changing.

Analysis of a sample of 4135 women entrepreneurs from six States revealed that about 66% of the units established by them were sole proprietorships and 34% were partnerships. It was also observed that many firms did not require partnership arrangements for effective functioning, unless there was a need to mobilize resources apart from establishing the enterprise.

4.9 Women and New Technologies

Women have shown their tenacity and courage to set up enterprises not by chance and compulsion, but through conscious choice and interest. In the process, their selection of new ventures has not been confined to traditional enterprises alone, but they have ventured into some of the more
modern and high-technology areas such as manufacturing, solar thermal systems, vacuum reactors, television boosters, air compressors, voltage stabilizers, amplifiers, etc., as seen from the sector-wise data collected of 471 women entrepreneurs in 14 states.

Elsewhere, women are pursuing degrees in engineering and allied sciences, and are now participating actively in technical fields.

The emergence of high technologies is rapidly transforming the global production system, with new manufacturing techniques calling for skills quite unlike those applied in correctional processes. Computer-aided and information technologies have attracted women entrepreneurs to attempt innovative enterprises. These efforts are encouraged by the changing scenario whereby India has experienced a higher rate of growth economically, industrially and technologically. Increasing infrastructural facilities leading to greater ease in acquisition of knowledge, skill, training, information, etc., have been instrumental in providing women with an enabling environment. According to (Kamla, 1985), the innovative efforts of women entrepreneurs have, to a large extent, taken the form of design modifications, newer formulations, quality control improvements, and the like. These efforts have resulted in cost reduction and improvement in profitability, time and material savings, reduction in rejection rates, and expansion of their scope of business. Some of these aspects have been brought out in the following variety of case studies (Kamla, 1985).

A woman entrepreneur in the business of Flavours and Fragrances, for instance, successfully established her own industry to manufacture also resins for export. During one of her business trips abroad, she found a new product which involved foreign collaboration in terms of training and formulae, but it was found that the formulae were not suited to the Indian market. The entrepreneur’s ingenuity, experience and training enabled her to experiment with 20 to 30 new formulae suited to the Indian market. This was the beginning of a multinational pharmaceutical company which today makes about 120 different types of industrial Flavours and Fragrances.

Another interesting case pertains to a woman entrepreneur with only high school education, born in a family of women business adventurers, who started a unit in the area of Precision Automobile Engineering Components. Her exposure to engineering and maintenance at a very early age, and the sheer necessity to earn in order to support her family, prompted her into establishing her own enterprise in the early 1950s. Although she tried different businesses — running a hotel, running taxis, general engineering, precision engineering, fabrication and assembly — she finally established herself, manufacturing and supplying about 40 to 45 precision components to well-known automobile manufacturing companies in the country, with a diversified production catering to other industries as well.

One has only to look to the literature to find innumerable such success stories where women entrepreneurs have been truly enterprising and innovative, running successful business ventures today.

4.10 Conclusion

Despite the gender bias still prevalent in Indian society, the marginalization of women from the organized workforce and the social evils they must grapple with, it is clear that in recent years, increased educational opportunities for women have provided them with skills which has resulted in more opportunities for them to pursue economic independence. Moreover, new constitutional
rights have at least legally, provided them with not only equal pay for equal work, but also the right to birth control and protection against dismissal from employment on account of marriage or pregnancy. Technological breakthroughs have reduced the time and energy needed for housework among the more affluent, although the vast majority of the poor still have to lead a life of drudgery and hardship. Economic growth has increased the demand for workers in traditionally female sectors, such as business services. Demand for part-time workers has also increased in response to rising wages and benefits, unionisation and migration. And, of course, the greatest changes have come from increasing numbers of individuals, both men and women, committed to equality and social justice.
CHAPTER V

Women Entrepreneurs: Context and Challenges

5.1 Introduction

The general observation is that there are fewer female entrepreneurs in the industrial sector than male entrepreneurs in India. This reflects the trend visible in other spheres of economic activity where males greatly outnumber females. Giving credence to the above statement is the work participation rate for men and women. The 1991 census data reveals that the female work participation rate is 22.25% as against 51.68% for males.

Women have yet to make a visible and lasting impact of their economic participation, although in rural households they have always contributed, in part or whole, to the earnings in the family. However, unrecognized by policy or legislation, their contributions are often relegated to homed-based work in the informal sector.

Increasing numbers of women, however, are establishing businesses in the formal sector as a way of generating an income. For many of these women, especially those who are poor, the businesses they establish will remain “microenterprises”. From the poor women running such businesses who simply have to be enterprising in order to survive, to the successful women entrepreneurs running small-scale industries, one finds an endorsement of women’s tenacity, drive and capability—- bringing them on a par with their male counterparts. In the process, women entrepreneurs have been able to make their presence felt and contributions recognized, despite adversities and the myriad of problems they face.

5.2 Overview

Entrepreneurship is a herculean task which is fraught with struggle, entailing both risk and effort. No one can truly understand the triumphs, trials and tribulations of an entrepreneur other than the person involved. While women have to go through the same stages of setting up an enterprise as do men, and have similar challenges, irrespective of gender, women do have a distinct set of factors that first impede their entry as entrepreneurs, and later their survival as successful businesswomen.

For instance:

— women’s entrepreneurial abilities are not always approved of by their family;
— workloads are exhausting with the double burden of taking care of the home and family, as well as earning a livelihood;
— they have lack of access to resources, raw materials, new technologies and markets;
— they enter into competition with less knowledge and training than their male counterparts;
they have limited access to capital, with many banks doubting their credibility;
— often they are faced with a limited range of over-competitive occupations;
— they have to deal with institutional antipathy, where government departments and officials
do not give priority to their applications and efforts;
— they are the victims oflopsided policies formulated and implemented by men;
— even development and support organizations accord low priority to the promotion and
development of women entrepreneurs as a special client group.

Recognizing the particular problems that women entrepreneurs face, various studies have
attempted to classify the constraints unique to them. For instance, Vinze (1987), categorized them
into “formulation-specific”, “implementation-specific”, and “operation-specific” problems. Mishra
(1991) made a distinction on the basis of intrinsic, operational and socio-cultural problems. Lalitha
Iyer’s (1991) classification spell out psychological and socio-cultural constraints which hamper business
operation. Kamla Singh (1992) attempted a four-fold categorization: self-sphere constraints, socio-
psycho sphere constraints, resource system constraints, and support system constraints. Bh-Namaki
(1990) identified the problems in terms of entry, survival, and exit barriers.

The picture which emerges reveals that problems that women entrepreneurs face are either
“intrinsic” or “extrinsic” in nature. Intrinsic problems would be those which are rooted in the “self”,
while extrinsic problems stem from the prevailing socio-cultural environment, available infrastructure
and support system.

5.3 The Socio-Cultural Context

While Indian women are often extolled as being on the same plane as Goddess Durga, the
embodiment of “Shakti” (power), their place in society is not next to, but beneath the male. For all
practical purposes, it is this role of subjugation which is entrenched in the socio-economic fabric of
the country. “The prevalent stereotype is that women are inferior to men: weak, passive, less intelligent
and less capable” (Ahkouri, 1988). Such a value system has suppressed their independent thinking
and action to a great degree.

Traditionally, women are associated with the home and hearth. They are primarily seen as
providers within the confines of the home, perceived both by themselves and society at large, as
wives, mothers or daughters. The potential roles of wives and mothers keep them from formal
schools or advanced education, especially in poor households where parents have to make the
choice of educating their male children as a security for their old age. The absence of basic literacy
and numeracy skills can prove to be major barriers to the establishment of a successful enterprise,
and lack of proper education and training makes for huge gaps in women’s knowledge and skill
levels (Howarth, 1990).

It has been observed that “the traditional role perceptions of males and females has undergone
very little change over the years. Despite the increase in the number of legal and social safeguards,
increased enrolment of women in the educational institutions, and entry of women into varied
and diversified occupations, the institution of the family remains virtually untouched in India. The rigid
hierarchical structure within the family and the community, re-emphasizes the role stereotypes. The
appropriate traits of conformity, obedience, modesty, dependence, submissiveness, self-denial and
adaptability are ingrained in the girl child within the rigid hierarchical structure of the family, and get reaffirmed by various other institutions like school, marriage, etc., in her later life. This results in her developing a low self-image and sacrificing her self-esteem to conform to the prescribed role of dutiful daughter and good mother” (Iyer, 1991).

Cultural and social norms impact on the crucial sphere of physical mobility as well. Often mobility for women is curtailed and activities restricted by virtue of gender considerations. Caste/community restrictions and traditions compound the problems. For instance, most Muslim women have to follow the “purdah” system which contributes as a major factor in preventing them from engaging in profitable activities (Kumari, 1995). Even in rural Hindu communities, limited mobility for women is the norm rather than the exception. Often, outdoor functions in running an enterprise like travelling to the market place are undertaken by the male relatives so that actual cash goes into their hands, leaving women with little control over the income. Restricted mobility thus proves to be a significant constraint for the entrepreneur for whom interaction and contacts are mandatory for effective day-to-day functioning.

It is not surprising then, that in their dealings with others, women are not seen in terms of their business roles but primarily as women (Iyer, 1991). In a study conducted in Uttar Pradesh, 92% of the women entrepreneurs sampled claimed to face “professional disrespect” by virtue of their gender. This finding has been reinforced in another study which stated that almost every woman in the sample “found it difficult to cope with the attitudes and behaviour of lower level staff who simply refused to accept women in the role of entrepreneurs” (Shah, 1991). Indeed, business acumen is not readily attributed to women and it is men who are seen to possess this, occupying the important role of providers or breadwinners for the family.

It follows then that generally women lack self-confidence. Research on the subject of female entrepreneurship has highlighted women’s lack of confidence and assertiveness (McCull, 1989). A house-bound, passive, subordinate existence has robbed them of the chance to realize their full potential as human beings. Although this can affect them at all stages of business development, it may be fatally inhibiting at the pre-start up stage when a woman may feel particularly vulnerable about the viability of her business idea (Hartsom, 1992; McCull, 1989).

Women who do decide to become entrepreneurs, therefore, have to grapple with various aspects of role conflict. Guilt at not being able to devote sufficient time to the home creeps in (Iyer, 1991). This turmoil adversely affects the work in hand, creating problems for the entrepreneur and her enterprise (Iyer, 1995).

These various psycho-social and socio-cultural factors act as barriers to women’s entry into entrepreneurship. It is then natural that women are in a more disadvantaged position than men when they take to entrepreneurship for they have only a limited idea of business opportunities, no exposure to industry or business, and are unaware of sources of support and assistance. This apart, they often start out with low self-esteem, low confidence and less support from their family. It is against this backdrop that women entrepreneurs make an entry in the business world, survive, operate or exit.

It is noteworthy, however, that despite all odds, thousands of women in India are choosing to explore the exciting career of entrepreneurship and studies conducted with successful women entrepreneurs are now pointing to the fact that these women do not face problems by virtue of their gender (Singh et. al., 1986).
In order to gain further insights into the challenges and problems women entrepreneurs face, it is useful to attempt an analysis which deals with each stage in the unfolding of an enterprise: from conceiving the idea to start a venture, to the stage of consolidation and expansion.

### 5.4 Conceiving the Idea

For a woman, the very idea of starting a venture is a shift from the prevailing role model. A significant factor preventing women from being self-employed is their perception of themselves which is still dominated by traditional gender stereotypes (Bradley, 1989). Even the decision-making process which will guide women into starting an enterprise, is alien to most and does not easily fit with their world view, as decision-making is traditionally a male prerogative.

Nevertheless, some women entrepreneurs have started acting as mentors and role models to other potential women entrepreneurs. They have started giving them technical knowledge by permitting them to work in their units as interns. This would certainly help new entrepreneurs. Their families would also be encouraged to motivate them to take up entrepreneurship as a career.

#### 5.4.1 Motivational Factors

The decision to start an enterprise is influenced by a host of factors, the first of which is initiative. "Usually women are discouraged from starting a venture since there are not others who are like them" (Iyer, 1993). This scarcity of role models inhibits entrepreneurial initiative. Other factors which influence this decision are the family, personal and economic needs and experience.

#### 5.4.2 Family Support

Family support, or the lack of it, is of crucial importance in the decision-making process for the woman entrepreneur and, depending on the response from the family, the woman entrepreneur can either be highly motivated in her new venture or completely demotivated. Since orthodox society has demarcated the boundaries of economic activity for men and women, the entry of women in the sphere of entrepreneurship may be discouraged. The family may be neither appreciative of this independent decision, nor show any trust in the potential entrepreneur’s ability to start an enterprise. This discouragement from the home, coupled with opposition from society at large, creates emotional and physical barriers. Choudhary (1995) categorically states that “there is lack of family support to women entrepreneurs and also access to peer support”. This is confirmed by Baswaran (1992) who, through a Bombay-based pilot study, found that one out of every five businesswomen faced active resistance from family members in the initial stages. A comparative study of male and female entrepreneurs in Uttar Pradesh (Iyer, 1995) came up with the extreme finding that 95% of the female entrepreneurs faced “family problems” in the start-up phase, as compared to only 16% males.

Lack of support from the family or husband can and does stop women from going out of the house to generate an income. If economic necessities are overriding concerns a woman’s income may be tolerated, but it could still lead to tension between husband and wife (Howarth, 1992). Conversely, a research study revealed that the reason why 50% of the respondents (irrespective of economic status) chose to become entrepreneurs was because their husband/family supported them in this decision. A study conducted by (Tedaki, 1994), revealed that of the women entrepreneurs surveyed,
70% said that their family members were a major source of inspiration to them in their decision to start an enterprise, while 73% attributed encouragement to their husband. Only 5% mentioned a female family member as a source of inspiration. Hopefully, these findings are indicative of men's changing perceptions in Indian society.

5.4.3 Previous Experience

Research has also shown that previous work experience in the proposed business motivates individuals to become independent entrepreneurs and often holds the key to venture success (Harrshon, 1992). Since women as a group are concentrated in low-skill occupations, they are at a distinct disadvantage. Since they seldom hold positions from where they could possibly learn management aspects of running an enterprise, their business ideas may not spell success. This may well be a vicious circle, once again leading women towards low-skilled self-employment (Hakim, 1989).

In a sample which included both poor and affluent business-women, Easwaran (1992) noted that most women business owners were either housewives or fresh graduates with no previous experience of running a business. Several studies have been conducted pointing to the role of prior work experience in the success of a new enterprise, with findings that support the hypothesis that “experienced entrepreneurs pursue different policies compared to those entrepreneurs without previous entrepreneurial experience” (Manimala, 1992).

5.4.4 Summarised Motivational Factors

For women then, motives for choosing an entrepreneurial career vary. Desire to fulfil one's own ambition (Singh and Sengupta, 1985); the challenge of doing something on one's own; economic independence (Shah, 1988); the desire to do something independently (Ram, 1986; Shah, 1992; Padaki, 1994); creativity, drive, past experience, gainful time structuring (Easwaran, 1992; Shah, 1992); and flexibility of time (Cromie, 1987; Suri and Sengupta, 1983; Downing, 1991) are reasons which “pull” women towards entrepreneurship. Others like economic need (Padaki, 1994), job dissatisfaction, and family circumstances, “push” many towards an entrepreneurial career.

5.4.5 Push and Pull Factors

Displacement is a force that can both push or pull a person into starting a business. Positive pulls could take the form of encouragement or persuasion by others while negative pushes would range from refugee status, lost jobs, the “between” times of being out of school or college or having retired (Shapero and Sokol, 1982).

Poor women are usually pushed into business, forced by economic necessity to feed the family, while in higher income groups a business may originate from a desire to structure time gainfully or from genuine achievement motivation (Easwaran, 1992).

These “pull” and “push” factors affect entrepreneurial performance. The pull forces bring with them more commitment and self-involvement since the drive and aptitude accompanying such women equips them to perform better. The push forces generally create weaker entrepreneurs, although women forced into entrepreneurship due to economic need and family circumstances require and put in more effort (due to their lower propensity to enterprise) into running their
venture, since for them all is at stake. It has been observed that most women take to entrepreneurship, not out of their own initiative, but due to the force of circumstance. The case of Mrs. Vijay Yadav is a typical illustration of this point.

"After her father's death she tried to continue his insurance business. But with meagre earning it was very difficult on the family. The family started a circulating library, and later on began trading in ready-made garments but both ventures did not click. She was determined to overcome all difficulties that came her way. Miss Vijay attended the course on Commercial Management organised by SSI. Her doggedness succeeded and her efforts yielded dividends. Her unit, M/s Lakhov Printers, started rolling out printed material on July 16, 1980. Her sister also resigned from her earlier job and joined her. The unit is currently giving employment to four persons additionally after she expanded" (Choudhary, 1995).

5.5 Translating the Idea into a Concrete Business Plan: Project Formulation

This is the "planning" and decision-making phase. A host of new intrinsic and extrinsic problems arise for women entrepreneurs, compounding those that they may have faced in the very first stage when conceiving the idea, since they still have to operate in the same socio-cultural setting.

5.5.1 Exposure to Business Opportunities

As part of formulating a business plan, the entrepreneur has to be able to sense opportunities, often by exploring avenues matching his/her capabilities and needs. Lack of exposure and information restricts the women entrepreneur's potential for exploring business opportunities (Choudhary, 1995). These intrinsic problems also manifest themselves in the product selection process, decisions pertaining to which are crucial to any business.

This trend may be gradually changing since it is observed that potential women entrepreneurs are becoming more sensitive to the environment around them, as they are being more exposed through mass media, marketing and educational curricula, to the world around them.

5.5.2 Product Selection

Many entrepreneurs lack the aptitude for product selection. They adopt an unrealistic approach when they select products unsuited to their background or past experience. "A woman science graduate tends to select a highly technical product on the basis of her educational background. But later due to lack of skills, her unit fumbles" (Vinze, 1987). These problems often stem from women's lack of knowledge and exposure to industries and business. Potential entrepreneurs do not give the product selection process adequate time, as they are unable to gauge its significance in the healthy running of their venture.

All too often, no systematic survey of existing industries in the chosen area of operation is undertaken. The advantages or disadvantages associated with the production, trade or service area chosen for business, are not examined in detail. Insufficient effort and time is devoted to market analysis. Existing demand and supply conditions are not studied and the size and nature of the market are not analyzed. Potential customers are not identified or targeted through a preliminary survey. Demand projections, therefore, do not conform with reality. These problems are the consequence of a lack of knowledge. Thus, all too often product selection is a personal rather than a business decision.
In the final analysis, it is the entrepreneur's life experiences, learning and exposure that usually determine choice of product or service. Women entrepreneurs in India are notorious for their product selection and, according to the stereotype, typically choose pickle or pappad manufacture, being limited by in their options the confines of domestic life. Such choices may also be more socially acceptable for women entrepreneurs, but can lead to a variety of problems.

Entry into a nearly saturated market reduces the clientele they can capture and forces them to face tougher competition. The less aggressive sellers find this difficult to cope with. There is not much scope for variation or uniqueness in the small market segment in which they operate. Establishing their product in the market takes longer, often leading to a resource crunch (finance, raw material, etc.) which can prove to be fatal for the business.

5.5.3 Business Plan Preparation

A business plan provides the guidelines for enterprise creation, continuance and further development. Therefore this stage demands that the entrepreneur understands each and every aspect of the project proposal. Often however, ready-made business plans are obtained and submitted to financial institutions without any thorough understanding on the part of the entrepreneur. Frequently, even the project is financed and the enterprise set up. Sooner or later however, the entrepreneur faces a host of problems and finds it difficult to make repayments.

Women entrepreneurs lack systematic planning, particularly at the time of project report preparation as found in (Singh, 1992). Furnishing exhaustive data is hampered by intrinsic factors, such as lack of information, mobility, maturity in understanding, true appreciation of the utility and value of a project report. Extrinsic factors, such as a scarcity of resources, limits the entrepreneur from employing the services of a consultant or consulting agency although it was found in a recent study (Padaki, 1994) that 30% women entrepreneurs used consultants for preparation of project reports.

Iyer (1991), however, observed that "many women get into industry without making appropriate business plans and find it relatively easy to enter but extremely difficult to sustain due to non-availability of mid-stream financing. This contributes to business failure." Thus, lack of exposure about the business plan creates problems both of enterprise setting and sustenance.

At a workshop conducted by AWAKE for managers of commercial banks, on issues pertaining to financing women's enterprises, it was found that most managers were of the opinion that inadequate business planning and superficial project preparation are problems that cannot be attributed to gender per se, but to lack of knowledge about one's own project (Iyer, 1991).

It is hoped that with more and more women opting for courses in commerce, chartered accountancy and financial management, the stereotyped idea that they handle finance poorly will be broken. Already, one can see women entrepreneurs formulating their own projects at EDPs, and this tends to considerably boost their confidence in their entrepreneurial skills.

5.5.4 Form of Ownership

As indicated earlier, the majority of women choose to set up a sole proprietorship where, by definition, all responsibilities rest with one person. The onus of this responsibility often leads to excessive tension and challenges which increase the intensity of problems they already face.
5.5.5 Site Selection

Decisions pertaining to site selection for women are often based on proximity to the home. Many start operating out of their own houses. This choice is based on their need to manage both the business and their home, well. This balancing of multiple demands proves to be detrimental to the successful running of the business, since time allocation is not clear cut or well demarcated. The role of wife or mother as the "homemaker" interfere with the working of the enterprise, so that the business tends to be accorded lower priority, thus reducing the gains which accrue.

At times, business site selection is made on the basis of space (such as a shed) in a particular area. It has been noted (Vaid, 1986) that "a major problem faced by prospective women entrepreneurs was their inability to get allocation for themselves of an adequate and appropriate place for their units to be located. The government's attitude, although very helpful at the micro-level, did not translate into effective action so far as allotment for sheds and plots were concerned". Often, suitable sites are unavailable and the entrepreneur may be forced to settle for a site which is not well connected both in terms of transportation facilities and in terms of communication networks. "Procurement of material and market access also becomes difficult. Often small projects outside industrial estates are not backed up with infrastructural facilities and locations in such areas are often influenced by cheap rates or being ancestral lands" (Vinze, 1986).

It is worth noting that the Government, taking cognizance of these problems, has already started making preferential allocation of industrial land to women entrepreneurs. Such an initiative has been started in Hyderabad where industrial land has been earmarked for use by women entrepreneurs. Though a modest beginning, it is hoped that such efforts will spread to other parts of the country as well.

5.5.6 Financial Aspects of Project Planning

It has been found in many cases that the capital planning and resultant structure of enterprises is lopsided. Fixed investment decisions are viewed in terms of just the land and building. The equity base is too low for project viability and hampers timely initiation and completion of the project.

Complicated banking procedures, insistence on collateral, and the attitudes of bankers often force women entrepreneurs to plan on non-institutional sources of credit such as family, friends and money lenders (Iyer, 1991). Since they invest the entire amount in "start-up activities", it becomes very difficult for them to fulfill the requirement of margin money insisted upon by the banks for any additional mid-term financial assistance. Consequently, a number of them drop out of business (Iyer, 1991). It therefore becomes essential for entrepreneurs to orient themselves to the issue of financial planning and thus reduce failure.

5.5.7 Technical Constraints

For women entrepreneurs, technical ignorance is a big lacuna. Besides lack of technical know-how about running the unit, inadequate technology evaluation, "lack of specialized skills to work on specific projects" (Singh, 1992), are additional drawbacks.

Women are also hampered by non-availability of technology. If they have neither access to machinery nor the required skills for its operation, women inevitably find themselves in competition
with machine-made products. This often leads them into the handicraft sector, which has low profit margins.

When available, they sometimes tend to make unrealistic assumptions pertaining to access to and transfer of technology. Priya’s case (Iyer, 1997) is an example: “I had heard of people complaining about the transfer of technology from the laboratory to the field, running into practical problems. But I never thought I would face it myself.”

Another technical area where women flounder is planning the optimum plant capacity. “Minimum viable size is an area where entrepreneurs unwittingly or unwittingly tend to make errors” (Vine, 1986). That women are beginning to use the expertise of consultants with regard to technical know-how is apparent by the study conducted by (Padaki, 1994), where she found that 9% of the women entrepreneurs surveyed, acquired such know-how.

5.6 Implementing the Project

Entrepreneurs who cross the entry barriers are now exposed to another range of hurdles associated with project approval and sanctions. Numerous procedures such as registrations, obtaining no objection certificates, licences, sanctions and exemptions, have to be followed through. In a study conducted by ICEDC, it was found that almost every woman interviewed in the sample, expressed her inability to get things done quickly in the planning and implementation stages of her enterprise (Shah, 1991). Women have less mobility than men and it is not easy for them to make the rounds of various agencies and departments. Limited exposure inhibits their ability to establish rapport and deal effectively with various officials and departments. Where men can establish rapport with vigorous handshakes, sharing a smoke or a joke to extract work, women are unable to establish such camaraderie. However, it has been observed that they are trusted more than their male counterparts.

Interestingly enough, a study of women entrepreneurs in Karnataka (Padaki, 1994) revealed that the attitude of government officials was the least of the problems faced by women in setting up and managing their enterprise.

5.6.1 Programs, Policies and Institutional Networks

Lack of awareness and information pertaining to “agencies and institutions working for entrepreneurs”, various schemes run by the government and loaning schemes and procedures of financial institutions”, ignorance of the different laws applicable to business, makes women entrepreneurs more prone to official/legal hurdles (Singh, 1992). In a recent study (Padaki, 1994), it was found that only 22% of the women entrepreneurs sampled had participated in any developmental activities.

While the government has initiated various policies and schemes targeted at women, often the implementation leaves much to be desired and those women who do participate, do so only to fulfil pre-determined targets, as “beneficiaries” on paper (World Bank, 1991).

As far as financial schemes are concerned, inadequate dissemination of information results in many women being unaware of the facilities available to them. Singh et al. found that while 72.4% of women who had not attended any training intervention were unaware of incentives they could avail of, even amongst those trained, only 26.4% claimed to be aware.
Again, women find it difficult to handle formalities related to business in such procedural matters as filing applications for registration of units, obtaining water/power connections, etc.

5.6.2 Support System

Intrinsic problems are compounded by the "inadequate flow of information on commercial, technical and training matters to the bulk of the population of women" (Malhotra, 1988). The so-called support system, i.e., authorities providing clearances to entrepreneurs, are male-dominated and not supportive of women entrepreneurs. The non-cooperative attitude of employees delays projects. The procedures are long and complicated with a lot of formalities and paper work. Delayed action by departments necessitates numerous visits. Lack of coordination between various support agencies proves detrimental to the entrepreneur and her enterprise. Bribery which is prevalent in support institutions hampers many entrepreneurs. This sort of an unsupportive system causes delays and bottlenecks, bringing down the level of efficacy of projects.

"For women's enterprises to succeed, the wider support network must understand women's practical needs, the barriers they face, and most importantly start taking women's enterprise seriously" (Howarth, 1992). Taking cognizance of this, the government has called for the establishment of special training and counselling cells for women entrepreneurs. Schemes such as the Mahila Nidhi Yojana, exclusively for women, have been instituted. Besides, each financial institution has been instructed to finance at least 10% of its disbursements to women entrepreneurs.

5.6.3 Access to Credit

Credit can often act as a catalyst in expanding both enterprises and income. Poor women, especially, for whom the principal constraint in improving living standards is simply lack of income, can benefit tremendously from credit inputs. Ironically, it is they who are most often denied this access.

In remote rural areas, the problems of credit accessibility are very basic. Banks are located in towns and villages close to communication networks. Because of women's reproductive activities and responsibilities, the time and expenditure involved in reaching a bank can increase the transaction cost of borrowing tremendously, especially if many trips have to be made for a loan to be sanctioned.

Credit discrimination is a very real issue that enterprising women have to grapple with. In general, women have less access to finance and financial support than men (Howarth, 1992). There exists a gender bias and a general distrust towards the creditworthiness of women, at times because of bankers' own perceptions towards women, rather than as a result of actual financial considerations. This is more acute for poor women whose experience with banks has been especially discouraging (Hilhorst and Oppenouorth, 1992). Banks emphasize collateral guarantees (as the primary determinant for credit rating), rather than viability of the project. Lack of inheritance rights leaves women with little hope for providing collateral (Choudhary, 1995). Problems pertaining to collateral security have been cited as a problem among 85% women entrepreneurs, as opposed to only 40% male entrepreneurs in a study conducted on a sample of 200 respondents in Uttar Pradesh (Iyer, 1999). While legally women have a right to ownership, a legal right does not translate into actual practice at the family and community level.
It is still common for banks and other institutions to insist on rules that treat their female clients merely as appendages of male relations (Hilhorst and Oppenoor, 1992). Husbands and other male relatives are often called upon to sign as guarantors before women are granted credit by financial institutions (Howarth, 1992).

Most projects undertaken by women require low investment; bankers are not keen to service such loans where the same amount of administrative procedure is required, while sanctioning and recovery is equal to a big loan but where the returns are far lower (Iyer, 1991). In the case of micro-enterprises where the profits may be marginal and no collateral exists, bankers are especially cautious (Howarth, 1992). Many bankers cut down the loan requirement and sanction far less than what is required. In the words of one woman, “Four banks turned down my proposal for working capital and the fifth sanctioned but much less than my requirement” (Iyer, 1991).

Even so, it has been observed that “administrative procedures are often complicated and the volume of documentation is intimidating. Many women have received little formal education and as a result have low levels of literacy and numeracy. Bank documents are often difficult to understand and seldom available in local languages. Bank opening hours are particularly inconvenient for women, and staff are often prejudiced, having little understanding of the problems faced by their poorer female clients. Internal bank rules and national legislation further discriminate against women (Hilhorst and Oppenoor, 1992).

A study conducted by ICECD (Shah, 1992) revealed that for most women in the sample, “it took 6 to 9 months to get their finance sanctioned and that too, with high margin and lower security conditions”. Arranging an interface with managers is difficult unless personal or political influences are used. Unwillingness and indifference shown in providing assistance, and delays in sanctioning working capital, cause further problems for entrepreneurs.

The other problem is that women consider borrowing to be “bad practice”. This is an ingrained value which is not practical for an entrepreneur. Vani, an enterprising woman, recalls: “In my family I have been brought up with the idea that one should never borrow even five rupees”. Nevertheless, this problem can be solved by imparting training inputs to women on the uses of borrowing.

Thus, difficulties in raising credit and in sufficient amount, would determine and often limit the type of enterprise women may consider. "Ease of entry and the ability to generate an income with limited initial capital requirement, is essential to most women’s microenterprise. Working capital presents similar problems, and the lack of it often forces women to limit the amount of raw material that can be purchased and to accept lower rates of return. Lack of both initial capital and working capital also limits the ability to experiment or introduce new products or designs" (Howarth, 1992).

5.6.4 Selection of Machinery/Equipment

Entrepreneurs often make the wrong selection of machinery. Lack of knowledge and understanding of the machinery and equipment leads to “faulty or unsatisfactory second-hand machinery which seriously impacts the health of the unit" (Vinze, 1987). This is a situation which is quite common among entrepreneurs.

All of the above difficulties can lead to a series of setbacks slide in implementation of the total project. Shoddy project planning, institutional and environmental problems and delays, genuine
contingencies and bad management, contribute to increased capital costs. This proves to be harmful for the survival of the enterprise.

5.7 Project Operation

Errors in project formulation and implementation carry over to this stage, weakening chances of successful operation. Performance of the business at this stage is heavily dependent on the entrepreneur herself.

5.7.1 Entrepreneurial Vision

Due to the low orientation for leadership and lack of managerial skills and commercial know-how, many women tend to concentrate on small projects which do not require large capital investments and sophisticated managerial skills, and which yield quick returns. Such projects, however, tend to have limited profitability due to keen competition and short project lives (Malhotra, 1988). The low entrepreneurial aptitude manifests itself in the form of lack of vision and creativity in managerial and organizational aspects, which prevents the successful supervision of labour, materials and machines and affects quality control of both inputs and outputs. Thus, these factors contribute to reducing the marketability and profitability of the product.

On the flip side, many women take too much upon themselves which again is detrimental for business survival as some jobs remain unattended. Kamla Singh (1992) is of the opinion that entrepreneurs “preoccupy themselves with a facet of business at which they are good or which they like, and ignore other pressing aspects.” An unbalanced functioning and operating style bring many a business to its knees.

5.7.2 Marketing

Studies reveal that even amongst successful business-women, one in every five faced problems related to marketing (Singh et al., 1985). It has been seen that faulty marketing strategies are often adopted by women. The targeted market is not kept in view while adopting a marketing strategy. Product promotion is not stressed, and no effort goes into market development efforts, mainly because not enough funds can be diverted to this area. This creates problems in disposal of products. Customer service is often a neglected area amongst entrepreneurs. Many face difficulties in recovering dues from customers. All these problems basically stem from a lack of marketing experience. However, exceptional cases such as that of Priya (Iyer, 1991), appear to be different when we find her solving the problems of marketing by hiring a marketing expert and an engineer to try out her new products and sell in the market.

Women, cognizant of their limitations, seem to address these problems by relying on their husbands for marketing and “external” functions, which also includes purchase, liaison with agencies and collection of bills (Padaki, 1994).

5.7.3 Technology

Technological constraints at the operational stage are many. Lack of technical know-how results in erroneous production planning. Lack of specialized skills can result in poor maintenance of
machinery. Repairs pose additional problems. For many, non-availability of machinery and technology in distant places act as barriers. Here the problems faced by Laxmi (Singh, 1992) may be cited: “Delhi is a city of large distances. In the absence of any qualified mechanics near the factory site to repair the machines in case of breakdown they had to call private technicians and mechanics from far off Tilak Nagar”.

Women should be made aware of the different Scientific and Industrial Research (SIR) laboratories and other agencies which provide technical and technological consultancy and guidance.

5.7.4 Raw Material

Irregular, insufficient and untimely supply disrupt the efficacy of a targeted production schedule. Kamala Singh (1992) has identified four basic resources: “lack of supply of raw materials for uninterrupted production, time consuming procedures for procurement of raw material, variations in raw material prices at different places, and lack of sufficient stock of raw material in times of short supply and anticipated price change.” These problems are also common for male entrepreneurs and are therefore not gender specific. However, helping entrepreneurs to anticipate changes in the environment, could certainly help them solve such problems to some extent.

5.7.5 Account/Record Keeping

Most women are reputed to be poor account-keepers. Some have difficulty differentiating between business and personal accounts. They often dip into the business account to tide over personal or household contingencies, thereby reducing the already meagre working capital. No proper records pertaining to costing and accounting are maintained. “Unorganized accounts, besides contributing to poor financial planning, erode institutional confidence and cause critical delays. Records pertaining to production, inventory, material consumption and sales are ill-maintained” (Vinze, 1987). In the absence of these data the entrepreneur cannot judge the true performance of her enterprise. Besides, incomplete records are not accepted by lending agencies at the time of application. Poor record-keeping can cause legal complications at times of inspection by various authorities.

Paddak (1994) however found that amongst those women entrepreneurs surveyed in the state of Karnataka, 43% claimed to be handling their accounts independently.

To address these issues, specialized courses could be conducted for women entrepreneurs on book-keeping, accountancy and financial management. Such training would help women entrepreneurs to get over the myth that finance is not their forte.

5.7.6 Labour Problems

Labour problems are not uncommon and problems with workers cited as a problem by 22% of a study sample of successful women entrepreneurs, received the highest score (Singh et al., 1986). (Singh, 1992) cites the case of Ms. Bhalla, owner of Wing Automobile Products India, who identified labour unrest being among her major problems. Moreover, dealing with male labours is not an easy task as many men have problems in taking orders from women (Iyer, 1993).

Labour problems can take other forms. Skilled labour is not easy to come by. Many experienced workers leave the unit after gaining sufficient exposure. “As entrepreneurs, women have to make
special efforts to make friends with colleagues, and to feel more at ease, undisturbed by the gender factor" (Iyer, 1992). Nevertheless, a handful of women entrepreneurs are greatly expected by their employees as they have a great concern for their welfare and are also ready to provide them with help in every way. Their employees are seen to work relentlessly from dawn to dusk, even when their proprietors are busy in other activities or sick, since they feel duty-bound to their employer.

5.7.7 Working Capital

At this stage of the business, the problem of inadequate working capital may arise. Finance is a constant need and limited working capital is available a factor, which banks are not sensitive to. (Iyer, 1992) cites the case of a woman who complains: “My banker does not seem to think my requirement for credit is genuine. Though my business has increased four-fold, he is reluctant to step up the enhancement more than 20 per cent.” Another woman, Kantiya, echoes the same sentiment. Though interested in expanding her unit (manufacturing fluorescent fittings, steel fabricators, chokes, sub-light and industrial lights), she did not have sufficient finances and expects no help from the government.

It is seen that, in granting working capital and enhancement facilities, the discretion of a branch manager prevails. Lack of finance, cutting down on advancement, and delays, adversely impact on capacity utilization of the enterprise and the morale of the entrepreneurs. Rejection from financial institutions leads the entrepreneur to the “informal capital market characterized by very small loans and very short pay-off periods, resulting in inability to mobilize savings to refinance and to adjust terms” (Sh-Namak, 1992). A study undertaken in Karnataka state reveals that “the highest rank was obtained by the problem area of cash flow/working capital indicating the major problem of the respondents” (Padaki, 1995).

Mali (1992), profiling entrepreneurs in the North-East region, found that women entrepreneurs face problems related to finance in the form of delays in sanction and disbursement of loans by the banks/financial institutions, or delays in getting seed money or margin money, besides inadequate financing of the project as a whole. A majority of women entrepreneurs indicated that finance was the major problem.

This is further substantiated through a case study of an entrepreneur by Iyer (1991) where a first generation entrepreneur said:

“I do not know how I managed those days. I applied to Karnataka State Financial Corporation for a term loan of Rs. 58,000 and got the sanction. The rest of the money needed for the equipment was borrowed from the family. Though sanctioned, the release of the term loan took seven months. In the meantime, I applied for working capital. I got rejected by four banks in a period of five months. When I almost gave up, someone mentioned AWAKE . . . . . . . I got the loan sanctioned but only half of what I had asked for.”

The case of a women entrepreneur, Ms. Trishna Khan as presented by Shibani Sen, Chairperson ICWE (W.B.) during the SAARC seminar on “Women in Industry” was narrated as follows:

“The detailed techno-economic feasibility report was submitted to the West Bengal Financial Corporation seeking term loan assistance on 30.7.87. The first ever response was, however, received after a lapse of 7 months on 17.2.88. From the date of the submission of the application referred above with the WBFC, the entrepreneur made it a routine to visit their Calcutta branch office at least
once a week. The dealing staff and officers were found quite reluctant to dispose of the application quickly—accepting or agreeing or rejecting it. They all too well knew red-tapism was found to dominate the office activity. Also the office was intelligent and smart enough in carefully avoiding expressions of their opinions in writing. They were in the habit of verbal discussions spread over months—a neat tactic of harassing and finally disheartening a first generation entrepreneur."

Although the case is old and it is worth verifying if the enterprise could actually take off, it is indicative of the problems that exist.

Such operational problems cause setbacks for the enterprise. Some entrepreneurs are able to tide over these survival barriers to enter the next stage, i.e. that of "success", but some become sick while others simply quit. But exiting is not that easy, due to emotional/psychological, economic and legal barriers.

5.8 Expansion

This stage of "success" has its own ups and downs. Several issues crop up when making expansion decisions. Women show more keenness to improve their operations rather than expand (an intrinsic problem). Often however, their ventures stay small because expansion requires credit, access to which is far from smooth (extrinsic problem).

A central issue that entrepreneurs (especially women) have to deal with is that of control. They have an overwhelming desire to hold the reins and work on their own terms. "Expansion might mean a loss of control or disruption in the amount of time she invests in other facets of her life. She may also want to oversee and control every aspect of her business and may be she loses that opportunity if she grows to the point where she cannot" (Kaptan and Pardey, 1993). This problem can be effectively surmounted by training programs, dealing with issues related to delegation and decentralization, targeted at women entrepreneurs.

5.8.1 Delegation

For women entrepreneurs, the delegation of responsibility to "others" is synonymous with the men in the family. "Some women let their husbands or family men take over the leadership role once the business is well-established and expansion is inevitable" (Shah, 1991). The other problem is of non-availability of liquid funds. The business can thus grow big or start slipping due to problems of cash, delegation and management.

5.8.2 Risk-Taking

In the cases where the business reaches "maturity" the greatest problems are those of control and consolidation of financial returns (i.e. profit) and entrepreneurial spirit. Women tend to withdraw, exhibiting low risk-taking abilities. "Decision making does not come easily as money matters are normally handled by the male head of the family; decisions are taken in consultation with elders or male members. Men tend to be protective and conservative in their advice and women are all too amenable to accept this suggested course of lower risks (Shah, 1991). Their problem of avoidance of risk, coupled with low perception of change in the environment, competitors giving the edge.
An attempt is made to list those problems which are cited in the majority of studies and articulated by practising entrepreneurs:

- Low self-confidence
- Lack of motivation
- Poor self-image
- Poor risk-taking ability
- Fear of failure
- Lack of technical expertise
- Lack of knowledge and awareness
- Role conflict due to role expectations and role performance in the family
- Low mobility due to social norms and family restrictions
- Lack of support from family and society
- Obstructive traditional norms
- Credit discrimination
- Lack of collateral guarantee
- Marketing problems
- Non-cooperative officials
- Long complicated formalities
- Poor infrastructure
- Dealing with male labourers
- Fear of expansion
- Administrative delays
- Lack of coordination between promotional agencies
- Lack of access to technology

Hence, we can summarize the problems faced by entrepreneurs at various stages of their enterprise evolution in the following manner:
5.9 Problems Faced by Women Entrepreneurs in Enterprise Establishment, Survival and Expansion

**INTRINSIC**

Related to Entrepreneurial motives

**EXTRINSIC**

Pertaining to external factors/environment

**Idea Conception**

- Lack of initiative
- Perception of self-congruent with traditional gender stereotype
- Low decision-making ability
- Lack of prior work experience especially at managerial level
- Scarcity of role models
- Lack of family support
- Non-conducive social norms

**Project Formulation**

- Lack of exposure and information
- Lack of aptitude
- Lack of knowledge and exposure
- Tendency to make socially acceptable choices
- Poor Access to information
- As above

**Business Plan Preparation**

- Lack of systematic planning
- Insufficient knowledge/understanding
- Lack of necessary resources to hire consultants/external help
- Legal and procedural constraints
- Non-availability of space in a suitable area
- Low equity base

**Form of Ownership**

- Choices compound tension/stress and exacerbate existing problems
- Home-based enterprises suffer from improper time management
- Non-availability of appropriate technology
- Gender bias in technical education and Training

**Site Selection**

- Lopsided fixed investment decisions
- Limited mobility leading to insufficient follow-up
- Uncooperative attitude of officials
- Inadequate information dissemination and publicity of special incentives schemes applicable to women entrepreneurs
<table>
<thead>
<tr>
<th>Category</th>
<th>Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support System</td>
<td>• Lack of awareness</td>
</tr>
<tr>
<td></td>
<td>• Male dominated</td>
</tr>
<tr>
<td></td>
<td>• unresponsive support</td>
</tr>
<tr>
<td></td>
<td>• network</td>
</tr>
<tr>
<td></td>
<td>• Complicated procedures</td>
</tr>
<tr>
<td></td>
<td>• Lack of coordination</td>
</tr>
<tr>
<td></td>
<td>• between various support</td>
</tr>
<tr>
<td></td>
<td>• agencies</td>
</tr>
<tr>
<td></td>
<td>• Corruption at all levels</td>
</tr>
<tr>
<td></td>
<td>• Inaccessibility of banks in remote rural areas</td>
</tr>
<tr>
<td></td>
<td>• Gender discrimination</td>
</tr>
<tr>
<td></td>
<td>• of lending agencies</td>
</tr>
<tr>
<td></td>
<td>• Insistence on collateral</td>
</tr>
<tr>
<td></td>
<td>• Bankers not willing to</td>
</tr>
<tr>
<td></td>
<td>• service low investment</td>
</tr>
<tr>
<td></td>
<td>• loans</td>
</tr>
<tr>
<td></td>
<td>• Bank documents are</td>
</tr>
<tr>
<td></td>
<td>• difficult to understand</td>
</tr>
<tr>
<td></td>
<td>• and seldom available in local languages</td>
</tr>
<tr>
<td></td>
<td>• Sancturing delays</td>
</tr>
<tr>
<td></td>
<td>• Insufficient sanction of working capital</td>
</tr>
<tr>
<td></td>
<td>• Lack of opportunity for technical training</td>
</tr>
<tr>
<td>Access to Credit</td>
<td>• Borrowing considered to be a “bad practice”</td>
</tr>
<tr>
<td>Selection of Machinery/Equipments</td>
<td>• Lack of technical knowledge</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Operation</td>
<td>• Low leadership orientation</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Entrepreneurial</td>
<td>• Lack of managerial skills</td>
</tr>
<tr>
<td></td>
<td>• Tendency to take too much on oneself</td>
</tr>
<tr>
<td>Vision</td>
<td>• Faulty marketing strategies</td>
</tr>
<tr>
<td></td>
<td>• due to inexperience</td>
</tr>
<tr>
<td>Marketing</td>
<td>• Lack of technical knowhow</td>
</tr>
<tr>
<td></td>
<td>• Lack of specialized skills</td>
</tr>
<tr>
<td>Technology</td>
<td>• Social and cultural stereotyping</td>
</tr>
<tr>
<td></td>
<td>• Family Pressures</td>
</tr>
<tr>
<td></td>
<td>• Lack of funds for marketing efforts</td>
</tr>
<tr>
<td></td>
<td>• Bad recovery of dues from buyers</td>
</tr>
<tr>
<td></td>
<td>• Non-availability of machinery and technology</td>
</tr>
<tr>
<td></td>
<td>• Close at hand</td>
</tr>
<tr>
<td></td>
<td>• Non-availability of repair personnel near factory site</td>
</tr>
</tbody>
</table>
Raw Material
- Lack of exposures
- Irregular, insufficient and
  untimely supply
- Time-consuming
  procedures for raw
  material procurement
- Variations in raw material
  prices
- Insufficient stock in
  times of short supply
- Perception of women
  as poor “cash managers”,
- Lack of management
  skills training for women
- Male labourers unwilling
  to take orders from women
  take orders
- Turnover of skilled labour
- Limited availability
  from banks
- Delays in sanctioning
- Excessive red-tapism

Account and Record
Keeping
- Inability to distinguish between
  business and personal accounts
- Poor maintenance of records

Labour
- Women have to make special
  efforts to be accepted by
  colleagues

Working Capital
- Lack of expenditure to cash
  management
- Confusion between demands of
  business and household
  and household.

Expansion
- Overwhelming need to control

Delegation
- Male tendency to
  dominate.

Finance
- Locking confidence to grow
- Non-availability of liquid
  funds

Risk Taking
- Low risk taking abilities
- Inability to take major decisions
- Male advisors protective
  and conservative

Problems faced by women entrepreneurs as identified by various authors, have been presented in Annexure II.

5.10 Conclusion

Despite all these odds, successful women’s entrepreneurs do exist. Women entrepreneurs have
evidently more to “acquire” than their male counterparts. This is largely due to the socio-cultural
environment in which Indian women are born and raised. Social customs, caste restrictions, cultural
restraints and norms leave women lagging behind men. They are not mentally geared to slip into
an entrepreneurial role because of their family orientation, restricted mobility and limited access to
resources. But, given the opportunity, direction and guidance, they are capable of overcoming these
limitations. Socio-cultural pressures on the one hand inhibit growth of the “self” of a woman bringing
In intrinsic constraints, while on the other hand, extrinsic factors make the working environment of a woman entrepreneur non-conducive for smooth functioning. Negative attitudinal responses to their requirements; negotiations; requests and demands by the home, society and institutions; unfriendly officials who have to be dealt with at various stages of business establishment and growth, all of these are not only discouraging but also reduce their entrepreneurial effectiveness. These extrinsic constraints, in conjunction with the working/operating problems arising on the business premises (machinery breakdown, labour unrest, low productivity, quality control), combine with infrastructural deficiencies, snags and delays to impair survival and success of the already disadvantaged woman entrepreneur. Despite all these odds, women entrepreneurs are growing as a force and forging ahead. This is possibly the fortitude that women and women entrepreneurs have displayed in ample measure in India.
CHAPTER VI

Gender Differences in Entrepreneurship

6.1 Introduction

Most studies which attempt to identify gender differences amongst entrepreneurs on psychological and sociological variables, use male entrepreneurs as the basis for testing similar characteristics on females. Further, the bulk of research pertaining to women entrepreneurs has been conducted on urban, educated, middle-class women in Western countries. Whatever limited research has been done on women entrepreneurs in the developing world, has been carried out mostly by international development agencies, on the very poor uneducated segments of women in the rural and urban informal sectors, with a view to focus on women's concerns from the macro-perspective. Thus, studies range in their perspective: from one extreme view that women constitute a "deprived" segment of society, to the other extreme that problems related to small business start-up are "gender-neutral".

The international body of literature does suggest that men and women entrepreneurs have very different motivations, business skills and occupational levels, and the factors which contribute to the start-up process are dissimilar, especially in terms of support systems, sources of finance and constraints, although there are a few studies which are to the contrary.

For example, a pilot study on entrepreneurs in developing countries concluded that male entrepreneurs were in no way different from female entrepreneurs (Scheweier, 1975). A study on the personality traits of successful male and female entrepreneurs found that women do not differ significantly from men with regard to innovative traits and internal locus of control (Mehur and Anamika, 1987). Another study confirmed that career women have the same need for achievement as men in the same careers (Archana and Rethana, 1985).

6.2 Motivational Aspects

(Schwartz, 1979) found that the major motivation for female entrepreneurs to start their ventures was the need to achieve, the desire for job satisfaction and economic necessity, while for males in addition to the need to achieve, there was the desire to "make things happen" and to control resources. (Crowie, 1987), comparing the motivations of aspiring male and female entrepreneurs, found that compared to men, women are less concerned with making money and often choose business proprietorship as a result of career dissatisfaction. (Downing, 1991) studied the growth-strategies used by male and female entrepreneurs in selected developing countries and found that men and women do employ different strategies, motivated by their very different circumstances. For example, while male owned enterprises usually grow vertically, women's enterprises tend to grow by diversifying.
(Hisrich and O’Brien, 1982) found that men are motivated by the drive to control their own destiny and to make things happen. This drive often stems from conflicts with the boss or a feeling that they can run things better. In contrast, women are inclined to be motivated by independence and achievement arising out of job frustration where they have not been able to perform to full capacity. Reasons for starting a venture and departure points are similar for both men and women, in that both generally have experience and a strong interest in the area of their business. However, for men, the change from a past occupation to a new venture is smoother because it is an outgrowth of a job, sideline or hobby. Many women, on the other hand, would enter the new business after having left a previous occupation with a high degree of frustration, making the transition more difficult.

In a study conducted in Uttar Pradesh (Iyer, 1995), it was found that a high need for achievement motivates 55% male entrepreneurs and only 28% female entrepreneurs. (Mali, 1992) found that a need for independence (wanting to be on one’s own) and entrepreneurship development programs were ranked most frequently as motivating factors by both male and female entrepreneurs.

6.3 Demographic and Socio-Personal Differences

(Hisrich, 1985) found that women entrepreneurs were older and more educated than male entrepreneurs sampled, and had very supportive parents and husbands. Most women were a little older when they embarked on their first significant venture, in the 35-45 age group, while men were mostly in the 25-35 age group, and their educational background was more often in business and engineering fields as opposed to the liberal arts background that most women entrepreneurs were observed to have.

This was confirmed in the Indian context by (Iyer, 1995) who found that:

- While 57% of male entrepreneurs started their enterprise between the ages of 25-34, women entrepreneurs were comparatively late starters, found mostly in the age groups of 35-44 (57%) and 45-54 (28%). The significant number of male entrepreneurs (23%) who fell in the age range 55-64, started their ventures after retirement in order to achieve what they could not during their service careers. It follows that 63% men sampled were unmarried while 76% of the women were married. Interestingly, 17% of the women were divorced, separated or widowed.

- The monthly family income of all the successful entrepreneurs during their emergence was in the middle income range. However, as many as 63% women entrepreneurs belonged to the lower middle income category (monthly family income between Rs. 2,000 - Rs. 6,000) while only 41% male entrepreneurs fell into this category, and as many as 38% fell into the Rs. 6,001-Rs. 10,000 monthly household income range as compared to only 11% female entrepreneurs.

- 68% women entrepreneurs had post graduate degrees as compared to 21% men. Most men (53%) had graduate degrees as did 23% women, while 86% men had some sort of technical training while only 63% women entrepreneurs had technical qualifications.

Similarly, (Paswan, 1992) found that 36% of the female entrepreneurs sampled were in the 25-35 age group and 28% in the 45+ category, as compared to 28% male entrepreneurs in the 25-35 age group. However, Paswan found the majority of male entrepreneurs in the over 45 category, suggesting that the males sampled comprised mainly retired individuals. 80% of the women were married as compared to 60% men.
Mahl and Banuah (1992) similarly found that over 50% of the women entrepreneurs sampled were over 35 years of age, as compared to less than 25% male entrepreneurs who were less than 35 years old. Also, over 50% women had graduate degrees, as compared to less than 50% male entrepreneurs who had either H.S.C. or intermediate levels of education.

6.4 Psychological Differences

In terms of personality traits, Hisrich's research (1985) showed that there were strong similarities between the two groups since both tend to be energetic, goal-oriented and independent. However, men were seen to be more confident and less flexible and tolerant than women which could result in different management styles.

Smith, Cain and Warren (1982) found that female entrepreneurs were different in behaviour and attitude traits than male entrepreneurs and tended to be more opportunistic and more adaptable in their entrepreneurial styles.

Iyer (1985) found that 58% men sampled were seen to exhibit high self-confidence as compared to only 33% women. While fear of failure was an almost equal concern of both sexes, fear of success was cited by 79% women entrepreneurs as compared to only 8% men. This could be due to socialization patterns where women are not encouraged to achieve and fear that if they become more successful than their husbands, their marriages may be strained. Together with this, may be their fear that the attendant time allocation if their business was to flourish, may be to the detriment of their family.

In terms of support groups, men tended to enlist outside advisors (lawyers, accountants etc.) as their most important source of support while women usually enlist their spouse first, close friends second and business associates, third. Women also were seen to rely heavily on a variety of sources for support and information, such as trade associations and women's groups, while men were not as apt to seek so many external support sources (Hisrich, 1985). This finding was confirmed in the Indian context by (Shah, 1987) who found that women entrepreneurs usually need support and motivation from others around them, a phenomenon not very evident amongst male entrepreneurs.

6.5 Enterprise Differences

Occupationally, it has been noted (Hisrich, 1985), that although both men and women have prior experience in the field of their new venture, men usually tend to possess more experience in many business skills. Moreover, male entrepreneurs often have experience in manufacturing, finance or technical areas while women by contrast have limited administrative experience in lower or middle management and in service related areas such as education or retail sales.

In keeping with this is the observation that women are more likely to start a business in a service related area such as public relations, sales or educational services, whereas men are more likely to enter manufacturing or high technology fields. This was confirmed by Iyer (1995) who found that most men (72%) selected manufacturing and trading enterprises while most women (75%) chose service and job-related enterprises. (Easwaran, 1992) also reported that 60% of the women entrepreneurs sampled chose service/trading and even of the remaining 40% in the manufacturing sector, 70% of those women were in the garment, tailoring or design business. Thus
women invested less and earned less than male entrepreneurs as was confirmed in the study (Iyer, 1995) where 58% men were found to have project costs over 10 lakhs while 76% women had project costs less than 10 lakhs. For men, however, no significant association was found between type of enterprise and project cost, while for women there was a significant association in this regard.

Mali and Baruah (1992) found that while 50% male entrepreneurs invested up to 1 lakh into their enterprise, 66.66% women entrepreneurs fell in this category, confirming the trend that women tend to start their business with smaller investments than men.

Start-up finance is another area where male and female entrepreneurs differ. Males often enlist investors, bank loans or personal loans in addition to personal funds as sources of start up capital, while women usually rely solely on personal assets and savings (Udich, 1985).

(Iyer, 1995) found that at the start-up phase the problems encountered by female entrepreneurs were more intense on every variable tested, with the exception of management of manpower. The following table reveals the differences cited by the sample respondents:

<table>
<thead>
<tr>
<th>Problems</th>
<th>Start Up</th>
<th>Management</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Males</td>
<td>Females</td>
</tr>
<tr>
<td>Family problems</td>
<td>16</td>
<td>95</td>
</tr>
<tr>
<td>Obtaining finance</td>
<td>48</td>
<td>57</td>
</tr>
<tr>
<td>Collateral security</td>
<td>40</td>
<td>89</td>
</tr>
<tr>
<td>Lack of experience in</td>
<td>76</td>
<td>81</td>
</tr>
<tr>
<td>financial planning</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional disrespect</td>
<td>20</td>
<td>92</td>
</tr>
</tbody>
</table>

6.6 Performance Differences

While no comparative studies in the Indian context were found with regard to enterprise performance differences amongst men and women in the small scale sector, the preceding analysis suggests that women start enterprises with smaller investment amounts than men do, and choose more traditional products than men in keeping with their liberal arts (as opposed to technical) backgrounds. They have also been seen to have less numbers of export oriented units than men.

Studying training programs conducted for women at IEDUP over a 6 year period, Iyer (1993) reported that the average success rate of women entrepreneurs was 40% compared to 31% for male entrepreneurs trained at IEDUP, while the national average was 30% and the average in Uttar Pradesh of only 14%.

6.7 The Feminine Entrepreneur versus the Successful Entrepreneur

(Chaganti, 1993), after reviewing available literature on gender differences in entrepreneurship, concluded that available research points to the fact that women entrepreneurs behave differently from men and that several factors unique to women determine their success or failure. She has thus
derived two contrasting models: the feminine entrepreneurial model and the successful entrepreneurial model which is as follows:

**The Feminine Entrepreneur**

1. **Shared Values of Business**
   (a) Modest goals on profit
   (b) Primary interest in personal satisfaction
   (c) Prefers to remain small

2. **Strategies of Business**
   (a) Marketing: sells only products which need personalized service; enters and remains in small local market niches
   (b) Finance: enters low capital business; always able to invest only limited capital

3. **Structure and Systems**
   (a) Structure would remain informal, decentralized and small
   (b) Motivation system would depend on personalized and non-monetary rewards
   (c) Operational control remains weak and unsystematic and record keeping is limited to non-existent

4. **Staff and Skills**
   (a) Staff size would remain small, would not hire trained personnel, or use expert advice. Prefers to hire female employees
   (b) Firm remains weak in management, particularly in finance and planning

5. **Styles of Leadership**
   (a) Friendly, personalized, team oriented and informal style. Firm stays small to ensure staff satisfaction

**The Successful Entrepreneur**

1. **Shared Values of Business**
   (a) Aggressive goals on profit
   (b) Interest in continuing growth
   (c) Prefers to grow big, interested in profit generation

2. **Strategies of Business**
   (a) Marketing: markets diverse products, niche approach is used initially, but seeks large markets with growth
   (b) Finance: Relies on equity in the beginning, but borrows extensively with growth

3. **Structure and Systems**
   (a) Structure would be informal but centralized initially; but more formal as firm expands
   (b) Motivation systems use both monetary and non-monetary rewards, but stresses monetary rewards
   (c) Operational control is weak at first but systematic procedures are introduced with growth.

4. **Staff and Skills**
   (a) Staff size grows with business would hire trained staff as firm expands. Hire mostly men for reasons of expertise and experience
   (b) Firm is initially weak in management skills, but acquires them through growth, beginning with finance and planning.

5. **Styles of Leadership**
   (a) Style is personal and informal but autocratic in the beginning. Grows more personalized and delegative with expansion
(b) Entrepreneur is low in assertiveness and sense of power

(c) Intuitive and emotional approach to decisions

Entrepreneur is bold, decisive and result oriented

Decision making is intuitive initially, but more rational with growth

Performance

Profits and growth remain low

Profits and growth initially low but increase over time

6.8 Implications for Training

It is only within the last ten years that special training packages designed exclusively for women entrepreneurs are being delivered in India by banks, lending agencies and training institutions. The above analysis of gender differences between male and female entrepreneurs makes it clear that while the training content may be the same for both men and women by virtue of universal enterprise functions, the focus in training interventions would have to differ. For instance, when delivering training to a group of potential women entrepreneurs, aspects such as confidence, risk taking, fear of success, business mathematics, etc., would need greater emphasis.

Methodologies may also differ in that more use of successful women entrepreneurs who can act as role models can be invited as guest faculty, technical demonstrations can be built in, and in-house internships provided as part of the curriculum (Iyer, 1993).

Training can thus be a useful tool for enabling women to overcome their tendency to select traditional products, hesitation to learn technology and technical subjects, relative isolation from the market, limited knowledge of product formulation and tendency to opt for low investment projects (Padalki, 1994).

Product-process oriented EDPs for women which hone in on popular product choices which women entrepreneurs are seen to make, are now being delivered by training institutions. These choices include ready-made garments, food-based products, handicrafts, handlooms, plastic items, etc.

Special national level programs like DWCRA, reaching out to women in rural areas, attempting to bring poor women into the mainstream of economic development, have also been initiated by the Government of India. At the micro-level, a World Bank sponsored program for women’s enterprise management training and outreach is noteworthy. This program is being implemented by Udoyogini, a Delhi-based voluntary organization, as a pilot project in Rajasthan, Bihar and Orissa. It has the dual objectives of empowerment and income enhancement and attempts to organize poor, marginalized rural women and train them in group entrepreneurship so that these women are able to manage their microenterprise better and enhance their status within the family and the community.
CHAPTER VII

Characteristics of Women Entrepreneurs

7.1 Introduction

From the above discussion, certain characteristics of women entrepreneurs are clear. The motivating factors for women to start an enterprise and their demographic/socio-personal characteristics have been discussed at length in previous sections. In order to get a wider perspective from studies conducted on Indian women entrepreneurs alone, the following self-explanatory tables are attempted. These give the range of findings of various researchers in terms of motivating factors, psychological attributes and socio-personal characteristics of women entrepreneurs.

7.2 Socio-personal Characteristics: A Summary

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Studies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>C.Rani (21-30); Anna (26-40); Singh and Sengupta (21-30); Shah (25-35); Singh et al. (26-65); Anju (30-45); Singh, K. (31-45); Fadaki (26-45)</td>
</tr>
<tr>
<td>Marital Status</td>
<td>Singh et al. (85% married); Singh and Sengupta (75.5% married); Rani (53.3% married); Anna (54.4% married); Shah (71% married); Anju (75% married)</td>
</tr>
<tr>
<td>Education</td>
<td>Singh and Sengupta (44.5% graduate); Singh et al. (58.7% graduate); Rani (56.7% graduate); Anna (44% SSC); Shah (45% graduate); Anju (75% graduate); Singh, K. (50% graduate and 23.4% post graduate); Mali (28.9% graduate); Fadaki (61% SSLC and below)</td>
</tr>
<tr>
<td>Family type</td>
<td>Singh and Sengupta (59.7% nuclear); Rani (76.7% nuclear); Singh et al. (63.8% nuclear); Anju (50% nuclear); Singh, K (83.4% nuclear)</td>
</tr>
<tr>
<td>Husband’s occupation</td>
<td>Singh et al. (43.5% business); Anju (52% business);</td>
</tr>
<tr>
<td>Children’s age</td>
<td>Singh et al. (60% - 10-12 years); Anju (52.7% - 10-12 years)</td>
</tr>
<tr>
<td>Monthly family income</td>
<td>Anna (86.7% - Rs. 1,000); Singh and Sengupta (49.2% Rs. 1,500-3,000); Rani (46.6% Rs. 1,000-2,500)</td>
</tr>
</tbody>
</table>

As can be seen in Table VI, most women entrepreneurs when starting their enterprise, fall within the age range 26-40 years. The majority of them are married, often to a businessman, and most of them have children in the age group 10-12 years. Also, the education status of these entrepreneurs is usually graduation or more.
While research conducted in the West leads one to believe that economic independence for the woman often leads to family break-up, this does not hold true in India. Most women entrepreneurs, as has been noted, are married. Further, several studies show that they involve male members in the family, especially their husbands, in several of the enterprise functions (Anju, 1990; Padaki, 1994).

### 7.3 Motivating Factors: A Summary

<table>
<thead>
<tr>
<th>Author</th>
<th>Reasons for Starting</th>
</tr>
</thead>
<tbody>
<tr>
<td>C. Raml</td>
<td>● Desire to do something independently</td>
</tr>
<tr>
<td></td>
<td>● To keep busy</td>
</tr>
<tr>
<td></td>
<td>● To earn money</td>
</tr>
<tr>
<td>Singh, N.P. and</td>
<td>● Economic gains</td>
</tr>
<tr>
<td>Sengupta, R</td>
<td>● Keeping busy</td>
</tr>
<tr>
<td></td>
<td>● Fulfillment of ambitions</td>
</tr>
<tr>
<td>Singh, N.P. et al</td>
<td>● To keep busy</td>
</tr>
<tr>
<td></td>
<td>● To fulfill own ambitions</td>
</tr>
<tr>
<td></td>
<td>● To pursue one's own interests</td>
</tr>
<tr>
<td>Anju</td>
<td>● To keep busy</td>
</tr>
<tr>
<td></td>
<td>● To fulfill own ambitions</td>
</tr>
<tr>
<td></td>
<td>● To earn money</td>
</tr>
<tr>
<td>Shah, H</td>
<td>● Economic need</td>
</tr>
<tr>
<td></td>
<td>● Utilization of own experience and technical education</td>
</tr>
<tr>
<td></td>
<td>● Husband's/family's interest and support</td>
</tr>
<tr>
<td></td>
<td>● Availability of free time and finance</td>
</tr>
<tr>
<td></td>
<td>● Desire to become independent and personal ego satisfaction</td>
</tr>
<tr>
<td>Easwaran, S</td>
<td>● Making money/more money</td>
</tr>
<tr>
<td></td>
<td>● Desire for gainful time structuring</td>
</tr>
<tr>
<td>Padaki, R</td>
<td>● Self-motivated</td>
</tr>
<tr>
<td></td>
<td>● Economic need</td>
</tr>
</tbody>
</table>
7.4 Psychological Attributes: A Summary

<table>
<thead>
<tr>
<th>Author</th>
<th>Attributes</th>
</tr>
</thead>
</table>
| Singh, N.P. and Songupta, R | • Medium achievement motivation  
• Medium affiliation motivation  
• Medium power motivation |
| Shah, H | • Achievement motivation  
• Risk taking ability  
• Problem solving ability |
| Anju | • Medium achievement motivation  
• Self-confident  
• Medium adoption propensity  
• Inhibition towards risk  
• Initiative and drive  
• Tenacity and perseverance  
• High entrepreneurial motivation  
• High value orientation |
| Vinze, M.D. | |
| Singh, K. | |

(Singh, 1992) found that the majority of respondents had high levels of confidence, decision making abilities, managerial abilities and independence. Most of them however, had a low degree of credit orientation, risk preference and emotional maturity. Low risk taking, especially at the initial stage, has been noted by (Shah, 1992) as well, although this study finds this low risk taking propensity to be beneficial since it prevents disappointments arising from over-estimation.

(Hierich and Brush, 1987) point to the fact that the woman entrepreneur is an individualist, creative, enthusiastic, instinctive and adaptable. She must deal with very real and immediate problems like meeting payroll, hiring and firing employees and pacifying creditors, often in the face of little cash, instability and few assets on the one hand and often, personal, emotional and financial sacrifices, on the other.

A self-assessment of personality traits of women entrepreneurs revealed that they tend to see themselves in terms of the following traits as opposed to the typical male entrepreneur's attributes:

<table>
<thead>
<tr>
<th>Self-assessment by women entrepreneurs</th>
<th>Characteristics typically attributed to male entrepreneurs</th>
</tr>
</thead>
</table>
| • Passive  
• Affiliative  
• Non-competitive  
• Private  
• Realistic  
• Unsure  
• Tolerant  
• Relaxed  
• Rigid  
• Uncertain  
• Generalist | • Energetic  
• Independent  
• Competitive  
• Social  
• Idealistic  
• Self-confident  
• Perfectionist  
• Anxious  
• Flexible  
• Goal-oriented  
• Specialist |
7.5 Conclusion

Some of these personality traits could be explained in relation to the demographic profile of women entrepreneurs. Since women tend to be older than men when starting their venture, they would also be more mature and therefore realistic rather than fanciful or idealistic. Also, the fact that they are not the sole earners in the family, would reduce their financial anxiety and tend to make them somewhat passive and less competitive. The fact that they see themselves as private, could be in response to the negative perception society holds with regard to women entrepreneurs.

Thus, women entrepreneurs come across as a distinct group of individuals and strategies formulated to promote their growth should take into account the particular characteristics they possess as a group, and the constraints they face on account of their gender.
CHAPTER VIII

Promotional Efforts: Policies, Programs and Institutional Support

8.1 Introduction

In order to mainstream women’s economic contributions and duly recognize what is often their “invisible” labour, government and non-government bodies are increasingly paying attention to self-employed women and entrepreneurs.

In recent years, the potential for women to be entrepreneurs has been recognized and encouraged. Various policies and programs have been formulated, incentives and schemes introduced, and institutions established to give momentum to the emergence and growth of women entrepreneurs.

8.2 Policy Landmarks

- In 1971, the Government of India appointed a Committee to study the status of women. Recommendations of the Committee included:
  - Providing gainful employment to women and recognizing their contribution to the national economy;
  - Adequate reward for their contributions;
  - Sharing of resources;
  - Benefiting from further development.

- In 1986, a National Level Standing Committee on women entrepreneurs was constituted comprising women entrepreneurs and representatives from FICCI, FASSI and NAYE. The committee aimed at providing fiscal and financial incentives including marketing, training, and publicity.

A sub-committee was then formed which put forward the following recommendations for the promotion of women entrepreneurs:

(i) Appropriate curriculum development for women entrepreneurs, especially for rural women;
(ii) Designation of lead banks in each state and earmarking funds for women’s enterprise development;
(iii) Coordination between various central departments for funding infrastructure development;
(iv) Survey work opportunities.
(v) Incentives for SSIs employing 50% women workers;
(vi) Publicity and dissemination of information, programs and policies pertaining to women's enterprise;
(vii) Adoption of appropriate technology for modernizing existing SSIs and specifying the role of commercial banks in funding these projects;
(viii) Coordination between Central/State departments and institutions in the area of training.

- The catalyst for women entrepreneurs was the Seventh Five Year Plan which highlighted empowerment and equality for women.

- The Eighth Five Year Plan (1992-97) recognizes that women form nearly half the population and must therefore be a target group in the promotion of opportunities for self-employment and creation of ways for employment. The document states that a better deal for women workers in the unorganized sector and cooperatives, and the organization of condensed job-oriented courses for women. Attempts are therefore to be made to provide support to women in the areas of technology upgradation, training, credit, raw materials and marketing.

- As a long-term national policy for women, the National Perspective Plan (NPP) for Women until 2000 A.D. was adopted.

- The National Commission for Women (NCW) was set up in January 1992 with Jayanti Patnaik as the Chairperson.

The legal unit and expert committees set up by NCWE to look into matters pertaining to legislation has recommended amendments to the Government of salient acts impacting women such as the Dowry Prohibition Act, 1961. The Commission of Sati (Prevention) Act, 1987, Criminal Procedure Act, 1973.

The diverse activities of NCW include focussing on women's employment and the impact of economic reforms, social security needs of women, and development of tribal women. Budget allocation for NCW for the year 1994-95 was Rs. two crore.

- As an outcome of the recommendations of the NPP and the National Commission of Self-Employed Women in the Informal Sector, a National Resource Centre for Women (NRCW) is in the process of being establishment as an apex organization for the promotion, research, training, documentation, information dissemination, policy support, advocacy, etc., on issues pertaining to women at national and state levels. It is envisaged that the national level centre would be linked to a network of state resource centres to be established in each of the states.

- The India Country Paper presented at the Fourth world Conference on women at Beijing has as one of the focal areas, national economic policies and women with particular reference to structural adjustment, and the major issues that India highlighted pertainned to the eradication of poverty amongst women.

The sections which follow provide information on some of the salient programs, schemes and networking initiatives at both the central and state levels, and by government and non-governmental organizations and institutions.
8.3 National Level Poverty Alleviation Programs

Recognizing the fact that the development strategies aimed at industrialization, infrastructure development and intensive agriculture had not impacted on the lowest three deciles of the Indian population, the Government of India made a concerted effort at alleviating poverty by formulating a variety of programs spanning the gamut of wage employment to self-employment, during the 1970s and 1980s. These programs were intended to benefit the poorest strata of society and many were targeted specifically at women.

These programs could be classified as follows:

- Programs to promote self-employment through subsidized credit, such as Integrated Rural Development Program (IRDP), Scheme for self-employment of educated unemployed youth (SEEUY), and Self-Employment Program for the Urban Poor (SEUPP). More recent thrift and credit initiatives are the Rashtriya Mahila Kosh, Mahila Samridhhi Yojana (MSY);
- Programs for self-employment targeted towards women such as Support to Employment Programs for Women (STEP), Development of Women and Children in Rural Areas (DWCRA), and Indira Mahila Yojana;
- Programs for group formation and training in productive skills, such as Mahila Mandal Programs, Women’s Development Program (WDP) of the Government of Rajasthan, Training of Rural Youth for Self-Employment (TRYSEM), and Vocational Training Program for Women’ and;
- Employment Schemes, such as Employment Guarantee Scheme (EGS) of the Government of Maharashtra, National Rural Employment Program (NREP) and Rural Landless Employment Guarantee Program (RLEGEP), now amalgamated into the Jawahar Rojgar Yojana (JRY);
- Integrated development programs, such as the Integrated Women’s Employment and Development Project, Haryana.

Some of these programs have been profiled below.

8.4 Support to Training-cum-Employment Programs for Women (STEP)

In the Seventh Plan, Rs. 450 million was provided for the STEP program under the Department of Women and Child Development and Ministry of Human Resources Development.

The Scheme was launched in 1987, aims to upgrade the skills of poor and assetless women, mobilise, provide training and subsequently employment on a sustainable basis in traditional sector of agriculture, small animal husbandary, fisheries, handlooms, handicrafts, khadi and village industries, sericulture, social forestry, wasteland development etc. In addition to the training and employment support, the program advocates gender sensitisation, Women in Development (WID) inputs and provision of support services.

There is flexibility of project design in the different sectors. Each project is suited to local and sectoral needs. Working capital for maintenance of productive assets is provided for supplementary activities leading to increased production. Old and new marketing channels are explored. For each
project, 90% assistance on a grant basis is provided by the Department and 10% by the implementing agencies for a period ranging from one to four years, depending upon the activities to be undertaken. Projects extending beyond 1996 were not be considered.

STEP had the potential to reach the poorest of women and, through the involvement of NGOs, women in backward areas could be reached in greater numbers. Since inception of the program, 29 projects benefiting 1.52 lakh women have been launched in the states of Bihar, Gujarat, Haryana, Kerala, Karnataka, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal. So far women in dairy business have been receiving the maximum benefit under the program, followed by handlooms, handicrafts and sericulture. A planned provision of 15 crores was allocated for the year 1994-95 out of which an amount of Rs. 2.75 crores was spent by 15.03.95, as reported by the Ministry of Human Resource Development in its Annual Report 1994-95.

8.5 Integrated Rural Development Programme (IRDP)

The Integrated Rural Development Programme (IRDP) was launched on 20th October, 1980, as a major credit linked self-employment programme for poverty alleviation. The objective of the programme is to identify rural poor families, to augment their income and to enable them to cross the poverty line through acquisition of employment on a sustainable basis. Assistance is given in the form of subsidy by the Government and credit advances by financial institutions (such as commercial banks, cooperatives and regional rural banks), for income generating activities in the rural areas. The target group consists of small and marginal farmers, agricultural labourers and rural artisans having annual income below Rs. 11,000 per annum defined as a poverty line over the Eighth Plan. Further, to ensure better participation of women in the development process, it has been specified that at least 40% of those assisted should be women.

8.6 Development of Women and Children in Rural Areas (DWCRA)

DWCRA, a sub-component of IRDP, was launched as a pilot project in 1982-83 in 50 selected districts throughout the country. The objective of the program is to “organize women in socio-economic activity groups with the dual objective of strengthening them” (Seventh Plan Document). This program is collaborative effort of the Central Government, State Government and UNICEF.

Groups of 15-20 women are formed and a grant of Rs. 15,000 given to them as a revolving fund for purchase of raw materials, marketing, childcare, etc. Multi-purpose community centres are constructed for the women to carry out their economic activities. DWCRA also aims to increase these women’s access to other government programs and welfare services.

DWCRA is now in operation in 497 districts of the country with UNICEF still continuing to provide financial support. During 1994-95, 26,137 groups with a membership of 3.89 lakh women were formed to take up economic activities. DWACRA projects have been assisted by Council for Advancement of People’s Action and Rural Technology (CAPART).

CAPART is a government organisation and provides financial assistance as grants to NGOs in various fields. Funds under different Ministries for different projects are appraised and routed through CAPART for NGO Funding. An amount of Rs. 300 lakh was given to CAPART for initiation of DWCRA projects by voluntary organizations. 1,316 DWCRA projects have been assisted by CAPART.
DWACRA has, however, come in for criticism from several quarters. Some aspects that have been criticized include:

- Inability of the program to form viable, functioning, participatory groups, in part due to the large group size recommended and IRDP criteria followed for membership;
- Target orientation of DWACRA functionaries, often leading to notional groups on paper only whereby members come together only to avail of the revolving fund and loan facilities.

8.7 Training of Rural Youth for Self-Employment (TRYSEM)

TRYSEM is a supporting component of the IRDP. The main objective of this scheme is to equip rural youth with the necessary technical and entrepreneurial skills through a training institution or a master craftsman, so as to enable them to take up income generating activities. Out of the total number of beneficiaries under the scheme, at least 40% should be women. To enable the participants to take up employment, a suitable tool kit costing not more than Rs. 800 is also provided. The scheme aimed at training about two lakh rural youth in the country every year in various skills.

Training of rural women is also given due consideration under this scheme. A minimum of 33% youth trainees are supposed to be women. In addition to this, TRYSEM also strengthens training institutions in each state for skills training of rural women.

Monitoring and coordination of the scheme is done at the state level by Rural Development Departments, at the District level by the District Rural Development Agencies, and at the Block, by the Block Development Agencies.

While TRYSEM provides an opportunity for rural women to upgrade their skills, it has been criticized for lack of follow-up, stereotyped training, and lack of backward and forward linkages. If skills training were given in conjunction with other support like credit, raw material procurement, marketing, business management etc., TRYSEM would be more successful. Although recent figures and gender breakdown under TRYSEM are not available, at the end of the Sixth Plan it was found that only 49% of TRYSEM trainees had been able to establish themselves in self-employment activities. Since its inception, i.e. 15th August, 1979, about 32.44 lakhs (up to Nov. 94) youths had been already trained under the scheme, out of which 14.29 lakhs (about 44%) are reported to be self-employed after the training. It is also heartening to note that about 44% out of the total are women.

8.8 Socio-Economic Programme (SEP)

The Central Social Welfare Board had started the Socio-Economic Programme in 1956. Under this programme, financial assistance is extended to voluntary organizations to undertake a wide variety of income-generating activities providing opportunities for 'Work and Wage' to needy women like widows, destitute and disabled particularly those coming from economically backward and under-developed areas. The programme supports the setting up of industrial units, handlooms and handicrafts units, dairy units, and other allied economic activities like piggeries, sheep and goat-rearing, poultry, etc. A recent thrust of the programme is on identifying new sectors for income generating projects.

8.9 Rashtriya Mahila Kosh (RMK)

Rashtriya Mahila Kosh was set up as a registered society in March 1993. RMK is intended to meet the credit needs of poor women particularly in the informal sector. It is being managed by a
governing board which has approved the policies and procedures for lending to women borrowers through the intermediation of NGOs and other women’s organisations, like cooperative societies, women development corporations, etc., for which suitable eligibility criteria, such as lending and credit management experience, and sound financial management have been prescribed.

According to the 1995 report of Department of Women and Child Development, an amount of Rs. 31 crores was released to the RMK during 1992-93 as the corpus fund. Credit up to Rs. 2,500 in the case of short-term loans, and Rs. 5,000 in case of long-term loans will be extended to borrowers through the medium of non-governmental organisations and other eligible organisations. The credit will be provided at 8% interest per annum to these intermediary organisations, which in turn will lend to women borrowers at 12% per annum.

8.10 Mahila Samriddhi Yojna (MSY)

In pursuance of Government’s policy of empowering women by raising their socio-economic status, an innovative scheme of Mahila Samriddhi Yojna was launched on 2nd October, 1993. The scheme aims to promote self-reliance and a measure of economic independence among rural women by encouraging thrift.

Under the scheme, every adult rural woman is encouraged to have an account in the post office under the jurisdiction of her village. The scheme has received a very enthusiastic response from both rural and tribal women, including from those living in the remote areas of the country, as reported by Department of Women and Child Welfare, New Delhi.

8.11 Indira Mahila Yojna (IMY)

Indira Mahila Yojna (IMY), launched on 20 August 1995, is a strategy to coordinate and integrate components of all sectoral programmes and facilitate their convergence to empower women. It proposes to bring in a mechanism by which there could be a systematic coordination amongst various programmes, in a meaningful integration of various streams of funds available under different schemes to meet women’s needs and at the same time ensuring that women’s interests are taken care of under such scheme.

The major objectives of IMY include:

— to help women become self-reliant and independent by their economic empowerment through income generation activities and active participation in decision making at various stages;

— to optimise the utilisation of scarce resources in speeding up the process of mainstreaming women in development programmes and issues of specific concern to women;

— to ensure convergence of sectoral services at the local, block and district levels through active involvement of women and sectoral departments;

— to create awareness in women through provision of information on different developmental programmes and issues of specific concern to women;

8.12 Vocational Training Programmes for Women

The major objective of the programme is to provide a wide range of training opportunities for women at the training institutes set up under the scheme. The training is extended in a three tier
system viz. basic skills, advanced skills and instructors' training in selected trades which has high employment potential. At present there is one National Vocational Training Institute (NVTI) at New Delhi and 10 regional institutes for women at Bombay, Bangalore, Trivandrum, Hisar, Calcutta, Tura, Allahabad, Varanasi, Indore and Jaipur. Part-time and short-term courses are also organised by these training institutes based on the needs of the local industries. To keep pace with the changing technological environment, the training activities are being diversified to include training in new non-conventional areas like architectural draftsmanship, desk top publishing, food preservation, catering, beauty care, etc. These programmes are also regularly upgraded and updated as per the latest requirements of the industries.

8.13 Nehru Rozgar Yojna (NRY)

The Nehru Rozgar Yojna of Ministry of Urban Affairs and Employment was launched in October 1989 and recast in March 1990. The Yojna consists of three schemes:

(i) Urban Micro Enterprises (UME);
(ii) Urban wage Employment (UWE);
(iii) Scheme of Housing and Shelter Upgradation (HSU)

The entire expenditure of the Yojna is being shared on 60:40 basis by the Central and State Governments. Under all these programmes, women enjoy their own share, besides some special concessions.

The scheme of Urban Micro Enterprises (UME) assists the urban poor in upgrading their skills and setting up self-employment ventures. A subsidy is provided for setting up micro enterprises, up to 25% of the project with a ceiling of Rs. 5000 for SCs/STs/Women (against Rs. 4,000 for general beneficiaries).

8.14 Prime Minister’s Rozgar Yojna (PMRY)

The scheme launched in 1993 has been designed to provide employment to more than one million persons by setting up 7 lakh micro-enterprises during the Eighth Five-Year Plan through industry, services and business routes. Educated unemployed youth (as per the laid down criteria), within the age group of 18-35 years, are eligible for a bank loan, as well as a subsidy from government, to set up enterprises under this scheme. Preference is given to weaker sections, including women. Projects up to Rs. 1 lakh are covered under the scheme in the case of individuals; if two or more eligible persons join together in partnership, a project with a higher cost is also covered, provided each person's share in the project is Rs. 1 lakh or less. To avail of this scheme, entrepreneurs are required to contribute 5% of the project cost in the form of cash. No collateral is required to avail loan under the scheme. The subsidy is provided by the government at 15% of the project cost, subject to a Ceiling of Rs. 75,000 per entrepreneur.

8.15 Assistance to Women Cooperatives

This is a scheme of Central Government and it gives 100% financial assistance for organisation and development of cooperatives which are exclusively run by women. The financial assistance is provided to the women cooperative societies through the State Government. This is provided in the form of share capital amounting to Rs. 40,000 and a managerial subsidy of Rs. 20,000.
8.16 Science and Technology Projects for Women

This scheme was introduced during the Sixth Plan by the Department of Science and Technology. The broad objective of the scheme is to reduce the day-to-day drudgery of women through the introduction of a science and technology component. The projects taken up under the scheme seek to provide opportunities for gainful employment for women, especially those in rural areas; reduce the element of drudgery in their lives; improve environmental conditions; and protect women from occupational hazards. The programme mainly caters for rural women belonging to less privileged groups. The annual budget of the programme is Rs. 1 crore.

8.17 National Commission for Women (NCW)

Under the Department of Women and Child Development, this statutory body called National Commission for Women was set up in 1992. The specific mandate of the Commission is to study and monitor all matters relating to the constitutional and legal safeguards provided for women; review the existing legislation and suggest amendments wherever necessary, and look into complaints involving deprivation of the rights of women. Similar commissions have been set up in the states of Assam, Maharashtra, Orissa, Punjab, Tamil Nadu, Tripura and West Bengal.

8.18 Employment and Income Generating Training-cum-Production Units for Women

This scheme was started in 1992 by the Department of women and Child Development in collaboration with the Norwegian Agency for International Development (NORAD). The main aim of the scheme is to extend training and employment opportunities for women in non-traditional and upcoming trades. It is aimed at poor rural women, women of urban slums, school dropouts, weaker sections, war widows and widows of employees of the public, joint and private enterprises.

The scheme is implemented through public sector undertakings, corporations, autonomous bodies and voluntary organizations. Trades in which women are trained include electronics, watch manufacturing/assembly, computers and computer programming, printing and binding, handlooms, weaving and spinning, garment making, etc.

8.19 The Integrated Women's Empowerment and Development Project, Haryana

Supported in part by the United Nations Fund for Population Activities (UNFPA), this project has been implemented in three districts of Haryana since 1994 and is expected to continue operation till 1997.

The project aims at the convergence of existing services available under ICDS (child survival and safe motherhood program), elementary education programs and poverty alleviation programs. Thus, the program package comprises components addressing empowerment, health, education, economic empowerment and special needs of adolescent girls.

8.20 Trade Related Entrepreneurship Assistance and Development for Women (TREAD)

In 1995, an inter-agency program formulation mission led by the Government of India and comprising the International Trade Center (ITC), UNDP and ILO, was undertaken in preparation for the proposed TREAD program. The draft project proposal resulting from this mission is now avail-
able and the program is slated to be launched shortly as a three-year program reaching 100,000 women entrepreneurs in Delhi, Madhya Pradesh, Karnataka, Gujarat, Kerala and Assam.

The program is intended to improve institutional capacities, provide trade information, guidance, counselling and follow-up with a view to creating a tailor-made package for selected product and market development activities and extension activities, to transfer marketable designs and production know-how together with marketing skills, packaging inputs and tie-ups with marketing organizations.

The planned client group comprises women at various levels of entrepreneurial development in rural and urban areas, with a specific focus on poor women in rural areas and urban slums (through the development of group level entrepreneurship), educated established entrepreneurs and new entrants or emerging entrepreneurs.

The program will be implemented nationally by the Ministry of Industries, Government of India. An inter-agency task force comprising ITC, ILO, UNIF and representatives from selected national organizations (NSIC, NIESBUD, NISIEF, Department of Women and Child Development), women entrepreneurs, cooperatives and selected NGOs, will assist the Government in monitoring and coordinating the program.

8.21 Women’s Development Corporations (WDCs)

This scheme was sanctioned by the Government of India in 1986-87 for setting the pace for self-employment among women and to mainstream them into the development process. The aim of these corporations is to provide technical, managerial, marketing and financial information for the weaker sections of women so that they can generate a sustained income for themselves. While all women belonging to the weaker sections of society are eligible for benefits which fall within the purview of the Corporation, priority is given to single women.

This scheme proposed the establishment of Women’s Development Corporations in all states and union territories. Training imparted is to be through existing institutions, such as women’s polytechnics and ITI’s.

The main functions of the Corporations are:

(i) To identify women entrepreneurs;
(ii) To provide project formulation and technical consultancy services;
(iii) To promote marketing through coordination with the state marketing organizations;
(iv) To arrange training for the beneficiaries through existing institutions;
(v) To promote and strengthen women’s cooperatives and other institutions;
(vi) To facilitate the availability of credit through banks and other financial institutions.

The Department of Women and Child Development contributed 49% of the paid-up capital as financial assistance, while the State Government provided 51% to set up corporations. In 1992-93, as per the decision of the National Development Council, the scheme was transferred to the State Sector. However, a provision of Rs. 5.14 crore was made for the year 1993-94 to liquidate the balance of the Central Government’s equity share capital contribution as against the State Government’s share capital released up to March 31, 1992.
Women's Development Corporations have been set up in several states (viz. Kerala, Karnataka, Andhra Pradesh, Punjab, Haryana, Tamil Nadu, Goa, Himachal Pradesh, Jammu and Kashmir, Meghalaya, Orissa, Maharashtra, Gujarat, Madhya Pradesh, Uttar Pradesh, West Bengal and Manipur) and one union territory (Chandigarh).

An analysis of different state-level organizations established for women's development clearly reveals that the overall objective of such organizations is almost the same, but the specific objectives vary, both in terms of content and focus. Even the statutory standing of the corporations is not uniform.

While there is very limited data on the performance of the WDCs, qualitative data available from a World Bank study noted that:

- The Punjab, Maharashtra, Kerala and Tamil Nadu WDCs are reported to be functioning successfully.
- There is no fixed format for state-level reporting of WDCs which has led to a paucity of information regarding the same.
- The Andhra Pradesh WDC had assisted about 93,000 women and disbursed about Rs. 31 million as 20% margin money, between 1975-76 and June 1987. However, it was reported that recovery of dues was poor: estimated at 25% of dues in 1983-84, and less than 11% in the three subsequent years.
- The Tamil Nadu WDC has had better results, with banks expressing satisfaction over women's repayment performance.
- The Punjab and Maharashtra corporations took the initiative of bringing together voluntary organizations and financial institutions to match grassroots organizations with sources of funds. They have also helped in establishing marketing facilities for voluntary agencies and small-scale women entrepreneurs.
- The National Commission for Self-Employed Women and Women in the Informal Sector, however, reports that the WDCs in most states are not satisfactorily reaching out to poor women and helping them to develop their productivity or income, although the WDCs have a better potential to do so than the State Welfare Departments.

Apart from the programs detailed above, various ministries and departments have evolved different schemes which seek to promote entrepreneurship amongst women.

For instance, the Ministry of Agriculture, the Ministry of Labour, the Ministry of Social Welfare, and the Central Social Welfare Board have their own programs which provide avenues of self-employment to needy women. Under the socio-economic programs of the Central Social Welfare Board, many needy women have been able to acquire sewing machines, knitting machines, handlooms and other such equipment which they can use in their own homes for earning an income.

The All India Handicrafts Board conducts training programs, assists in setting up training-cum-production centres, and gives guidance in marketing and designs. In organizing a variety of village industries, such as matchbox making, hand-made paper, pottery, fiber, bamboo and cane work, fruit processing and food preservation, the Khadi and Village Industries Commission has been able to reach large numbers of women.
8.22 Central Government Institutions

There is a variety of specialized central-level organizations which provide different types of support to women involved in economic activities. A few such institutions are profiled below.

(a) Small Industries Development Organization (SIDO)

The government agency mainly concerned with training programs for women, and promotion of employment and self-employment is the Small Industries Development Organization (SIDO) and its chain of Small Industries Service Institutes (SISIs) spread all over the country.

Thus, the Small Industry Development Organization as a whole, acts as a policy formulating, coordinating and monitoring agency for the development of small-scale industries at the national level. It provides a wide range of extension services through its network of 27 Small Industry Service Institutes (SISIs), 37 SISI Extension Centres, 4 Regional Testing Centres, 15 Field Testing Stations, 3 Product-sustained Process Development Centres, 2 Central Footwear Training Centres, 2 Central Rooms, 1 Central Institute of Hand Tools and 4 Production Centres.

The Small Industries Service Institutes conduct training programs for women entrepreneurs and actively assist women in setting up their own enterprises. SISI is also popular amongst women entrepreneurs for its continuing education programs on small enterprise management.

During 1978-90 SIDO with its national network of 27 SISIs, conducted EDPs through which about 13,000 potential women entrepreneurs benefitted. These EDPs were a near-complete adaptation of the SISI Integrated model, with additional facilities for providing skills training.

To encourage entrepreneurs, SIDO has instituted national awards for outstanding SSI entrepreneurs. Women entrepreneurs get special consideration by adding 5% mean weightage by virtue of their being women. SIDO is also responsible for executing schemes for providing self-employment to educated unemployed youth (both men and women), between the ages of 18-35 years. Under these schemes, eligible youth can get a composite loan for establishing industry, service and small business.

In order to meet the increasing need for counselling, and also to coordinate with various development agencies and state governments regarding the particular problems faced by women entrepreneurs, SIDO has recently established a "Women's Entrepreneurial Cell" headed by a woman.

(b) Other

Besides SIDO, a few national level organizations are also involved in promoting entrepreneurship in general though not specific to promotion and development of women entrepreneurship. These organisations are:

- National Science and Technology Entrepreneurship Development Board (NSTEDBD);
- Department of Science and Technology (DST);
- National Research Development Corporation (NRDC).

8.23 Schemes Available Through Banks

Apart from credit facilities offered to women through special schemes, banks also hold entrepreneurship development training programs with a special focus on the rural population and
women as client groups. SIDBI, for instance, out of a 102 EDs held in 1994-95, held 66 of these exclusively for rural entrepreneurs; 30 were for women and 8 for other groups in the north-east and other backward areas.

Some of the bank-sponsored schemes are dealt with below. Unfortunately, information on performance aspects of these schemes is not readily available, even in the Annual Reports of individual banks, with the exception of SIDBI and NABARD.

(a) Small Industries Development Bank of India (SIDBI)

(i) Schemes of Assistance for Women Entrepreneurs: The objectives of the scheme for assistance to women entrepreneurs operated through SIDBI, are:

(i) To provide training and extension services support to women entrepreneurs according to their skills and socio-economic status;

(ii) To extend financial assistance on concessional terms to enable them to set up industrial units in the small scale sector.

At the institutional level, SCs, SIDCs, commercial banks, state cooperative banks and regional rural banks are eligible for support. This apart, all projects in the SSI sector promoted and managed by women entrepreneurs, including those in the cottage, village and tiny sector industries, are eligible.

The programs for training, consultancy support and extension services for women entrepreneurs are organized through designated agencies, such as Technical Consultancy Organizations, the Entrepreneurship Development Institute of India, Central/State Social Welfare Boards, KVIC or other recognized training and management institutes.

Under the special re-finance schemes meant for women entrepreneurs, SIDBI extended assistance of Rs. 16.8 crore to 1,021 entrepreneurs in 1994-95. The average assistance per project was 1.6 lakh, which is reflective of the fact that the scheme was taken advantage of by women entrepreneurs taking up small projects in the tiny sector.

(ii) Mahila Udyan Nidhi Scheme: The main aim of the Mahila Udyan Nidhi Scheme is to provide equity-type assistance to women entrepreneurs setting up new industrial projects in the small-scale sector.

Eligible institutions were originally SCs and IDCs. However, in 1994-95, public sector banks, private sector banks and urban cooperative banks were also made eligible for assistance under the scheme.

All new industrial projects in the small-scale sector, as well as service activities set up by women entrepreneurs which are eligible for finance as per SSI norms, are eligible for assistance under the scheme, provided the cost of the project does not exceed Rs. 10 lakhs.

Assistance is provided in the form of seed capital as a soft loan to meet the gap in equity, after taking into account the promoter’s contribution to the project. No security or collateral needs to be provided by the borrowers for soft seed capital. The repayment period is 10 years, including moratorium up to 5 years. The anticipated debt-equity ratio is 3:1.

Projects eligible for assistance under this scheme would also be eligible for term loan assistance, with interest rates and repayment period in congruence with the “Women Entrepreneur’s Scheme”.
During 1994-95, 22 voluntary organizations were extended assistance of about Rs. 64 lakh for setting up training-cum-production centers in pottery, jute processing/products, bee-keeping, cane and bamboo crafting, tailoring, block printing, book binding, file making, sericulture related activities, ready-made garments, gem cutting, etc., in the states of Assam, Gujarat, Kerala, Manipur, Tamil Nadu, Uttar Pradesh and West Bengal. The assistance sanctioned under the scheme is expected to benefit about 3,000 women.

(iii) Informal Lending: Responding to the reality that a vast segment of the rural poor remain outside the reach of the institutional system, and recognizing the need for creating and strengthening self-help groups (SHGs) of the poor, SIDBI has started extending support to voluntary organizations with a good track record which are working with special target groups in rural areas. A scheme of savings-cum-credit has been formulated and put into operation in 1994-95.

Through this scheme, the poor are encouraged to take up income generating activities and develop the savings habit. SIDBI extends revolving fund type of support to self-managed voluntary organizations. These voluntary organizations in turn lend to the poor or alternatively place funds with well organized self-help groups for on-lending to their needy members.

Assistance carries interest of 9% per annum. Voluntary organizations are required to charge interest at a rate not more than 12% (although this can go up to 15% with the approval of the Governing Body) to the self-help groups.

During the year 1994-95, assistance of Rs. 94 lakh was extended to 16 voluntary organizations in the states of Andhra Pradesh, Assam, Bihar, Gujarat, Kerala, Maharashtra, Manipur, Orissa, Rajasthan, Tamil Nadu and West Bengal and having a total membership of 8,000 women.

(b) Industrial Development Bank of India (IDBI)

(i) Scheme for Women Entrepreneurs: The scheme has been formulated with the twin objectives of:

- Providing training and extension services support to women entrepreneurs through a comprehensive package suited to their skills and socio-economic status, and,
- Extending financial assistance on concessional terms, to enable them to set up industrial units in the small-scale sector.

Under this scheme, programs for training and extension services for women entrepreneurs are organized by IDBI through designated/approved agencies independently, and/or in association with other development agencies like the Entrepreneurship Development Institute of India, Technical Consultancy Organizations, Central/State Social Welfare Boards and KVIC.

(ii) Mahila Vikas Nidhi (MNV) Scheme: Recognizing the role of voluntary agencies in improving the socio-economic status of women, IDBI decided to set up a special development fund (Mahila Vikas Nidhi) with an initial allocation of Rs. 3 crores from its Technical Assistance Fund. Assistance by way of grants and soft loans is to be made available from the Nidhi. Registered voluntary organizations which have a proven track record, well functioning governing body, and working exclusively for women’s development, are eligible for assistance.

Activities which could be supported under this scheme include setting up training-cum-development centres, undertaking skill upgradation programs, marketing assistance, management
upgradation, and other such industrial activities which improve the economic status of women. Assistance under the scheme is towards one-time capital expenditure, since it is expected that recurring expenses of voluntary agencies can be met out of other sources of funding.

(iii) Scheme for Refinance Assistance to Women Entrepreneurs: All projects in the SSJ Sector (including cottage, village and tiny industries) promoted and managed by women entrepreneurs are eligible for assistance under this scheme. The minimum promoter's contribution has to be 12.5% of the project cost for units set up in category 'A' backward districts, and 15% of the project cost in all other cases, irrespective of location.

The expected debt-equity ratio is 3:1. The rate of interest is 9% of the amount on IDBI re-finance with the corresponding rate on the loans of the primary lenders not to exceed 12.5% per annum. The loan is repayable over a period not exceeding 10 years, including a moratorium of 2 years.

Re-finance is provided to the extent of 100% of the loan amount to SCJs/SDCJs, if covered under ARS, and 85% if the proposals come under NRS. However, for projects set up in 'A' category backward districts, the extent of re-finance will be 90%. In the case of banks, re-finance could be up to 75% of the loan amount, both under ARS and NRS.

Primary lenders may stipulate such security for the loan as they may deem appropriate. However, no collateral security needs be obtained.

(c) Industrial Finance Corporation of India (IFCI)

(i) Interest Subsidy for Women Entrepreneurs: The main objective of this scheme is to provide incentives to women having business acumen and entrepreneurial traits, so that avenues of self-development and self-employment are created for them and they can contribute to the industrial development of the country.

Subject to eligibility criteria, all industrial projects whether in the rural, cottage, tiny or small-scale (including ancillary) sectors (with a project cost up to Rs. 10 lakhs), if set up by a woman entrepreneur on her own with a minimum financial stake of 31% in the unit, will be covered under the scheme. The scheme is operated through the State Financial Corporations (SCJs/State-level financial institutions performing the role of SCJs/banks) granting assistance to women entrepreneurs.

To be eligible for availing the subsidy under the scheme, a woman entrepreneur is required to fulfil a set of specified criteria.

The disbursement of the subsidy is made by IFCI upon receiving an application for interest subsidy under the Scheme from the woman entrepreneur concerned with due recommendations and certificates from the SCJ/Bank, as may be required. The actual disbursement of the subsidy is made to the SCJ/Bank which acknowledges the amount and certifies that this has been utilized for setting off the interest on the loan amount granted to the unit.

(d) National Bank for Agriculture and Rural Development (NABARD)

(i) NABARD's "Women's Cell": NABARD has set up a "women's cell" at its head office and nodal branches in each regional office so as to pay focused attention to policies pertaining to rural women. In 1993-94, the cell initiated the following measures as part of its overall strategy:
• Introduced an exclusive scheme of Assistance to Rural Women in the Non-Farm Sector (ARNWIND) to meet the credit and support needs of rural women with umbrella support from voluntary agencies, NGOs, WDCs, cooperatives etc.

• Under the project, associated itself with the implementation of the Danish-aided project of the Government of India related to training packages for women's development, gender sensitization programs for district level functionaries and middle and senior level functionaries of banks are being held by the Government of India.

• Sanctioned 6 programs exclusively for the development of rural women which included assistance for conducting training in catering and credit, sensitization meetings for officers of NABARD and other banking institutions, and production of two video films on rural women. A total of 28 promotional programs in the nature of training-cum-production centers, rural entrepreneurship development programs, etc., were sanctioned exclusively for women in 1993-94.

(ii) Self-Help Groups: NABARD also launched a pilot project on self-help groups in collaboration with commercial banks, regional rural banks and cooperative banks. As on March 31, 1994, 620 groups had been linked with banks and loan amounts of Rs. 84.20 lakh and refinance of Rs. 45.93 lakh had been extended. Out of these 620 groups, as many as 332 groups were exclusively women.

Quick studies in three states indicated that the intervention led to use of credit for non-traditional economic activities, development of thrift and self-help among members, reduction in transaction cost for both banks and members of self-help groups, better recovery of loans, effective use of credit for purchase of income-generating assets, as well as empowerment of women. Further, larger participation in the project was that of women, particularly from poor resource regions.

In addition to the above, refinance facilities are available through the National Bank for financing under the non-farm sector term/composite loans.

(iii) Scheme covered under Automatic Refinance Facility (ARF): The following are the loan and financial facilities provided under ARF for various projects:

- Financing for setting up artisan units, tiny cottage and village industries - composite loans;
- Setting up of small-scale industrial units and tiny industries - term/composite loans;
- Refinance assistance for infrastructural and promotional support;
- Financial assistance for project formulation and consultancy services;
- Indirect finance through Cooperative societies - composite loan;
- Financing of ISB component under IRDP and SC/ST action plan - composite loans.

Activities covered under schematic lending for which banks are required to submit proposals/schemes to NABARD for appraisal and sanction:

- Financing of registered institutions approved by KVIC/KVIE and those certified as eligible institutions for interest subsidy from KVIC — term/composite loans;
- Financing of industrial cooperative societies — term loans;
- Soft loan assistance towards margin money;
Term loan assistance/composite loan for acquisition of societies ceded to commercial banks;
- Handloom sector — term loans;
- Sericulture sector — term loans;
- Coir sector — term loans;
- Handicrafts sector — term loans;
- Project finance for agro industries — term loans.

(c) National Small Industries Corporation Limited

The National Small Industries Corporation (NSIC) Limited was set up by the Government of India in 1955 to promote and develop small-scale industries in the country.

In the process, it extends help in the establishment of new, small and ancillary industries and in the modernization of existing ones by supplying them with appropriate, modern and sophisticated machinery and equipment. The Corporation provides help to both potential and existing entrepreneurs through a set of schemes like machinery on hire purchase, internal marketing and export marketing assistance, product export, single point registration scheme, etc. These facilities are not women-specific but the women entrepreneurs do get encouragement to avail of facilities from the schemes.

(f) Indian Bank

Indian Bank was one of the first nationalized banks to open a “Women’s Cell” for potential entrepreneurs. This cell acts as a counselling unit for women who wish to undertake entrepreneurial activity. It also acts as an intermediary between the bank and the beneficiary. This cell also provides information pertaining to training, products and loans available to women. Besides availing of facilities provided by this cell, the following schemes are also offered by Indian Bank:

- A loan amount up to Rs. 6,000 per beneficiary at 4% interest. The loan is given under the scheme of assistance to urban poor women for self-employment purposes.

- A term loan (SSI) scheme for women entrepreneurs with 1% rate of interest.

(g) Bank of India

The Priyadarshini Scheme of the Bank of India provides long term and working capital assistance under the following categories:

- To the professional and self-employed, e.g., chartered accountants, lawyers and doctors.
- To small businesses e.g., beauty parlours, laundries and circulating libraries.
- To retail traders e.g., fair price shops, general provision stores.
- To village or cottage and small-scale industries.
- To road transport operators e.g., auto-rickshaws or taxi drivers.
- For allied agricultural activity.

The maximum loan amount sanctioned depends on the entrepreneur’s needs, with limits of up to Rs. 2 lakhs for term loans and up to Rs. 1 lakh for working capital. Interest rates depend upon
the quantum of the loan. Repayment schedules are fixed after taking into account the expected surplus income, and normally span a period of three to five years. The assets acquired with bank finance have to be hypothecated to the bank as security. The entrepreneur's contribution margin is about 20%, depending upon the type of activity he/she intends to undertake.

(b) State Bank of India

The State Bank of India has introduced a program called the "Srestha Shekti Package" for financial enterprises set up by women entrepreneurs. An enterprise where the woman holds a minimum financial interest of 51% of the share capital and gives at least 50% of the employment generated to women, is eligible for assistance under this package.

(i) Others

Schemes for deposit-linked loans for housing, money-back deposit schemes, deposit linked consumer credit for durables, State Bank Card Scheme, scheme for loans against public sector bonds, scheme for loans for installation of solar heating devices, scheme for loans for purchase of personal/home computers (Computer Loan Scheme) are some of the other schemes available to women for which employed/self-employed women are also eligible.

Employed/self-employed women can also avail of loan schemes for the purchase of consumer durables including computers. Pensioners can take loans for the payment of medical expenses (Medicard). Schemes for loans to parents/guardians for education of children/wards (EDUCARD) are also available.

The above list is illustrative and not exhaustive.

8.24 State Level Financial Packages for Women

Every state in India has a State Financial Corporation. The following cases are cited merely as examples.

(a) Karnataka State Financial Corporation (KSFC) Scheme for Women Entrepreneurs

The objective of the scheme is to encourage women entrepreneurs to establish their own projects in the small scale sector by providing financial assistance. Thus, the Corporation provides financial assistance to women entrepreneurs on special terms and at reduced rates of interest so that they can establish their own industrial units.

All projects in the small-scale industries sector (including cottage, village and tiny industries) promoted and managed by women entrepreneurs are eligible for assistance under this scheme.

The Corporation can provide financial assistance up to Rs. 60 lakhs to public or private limited companies or to registered cooperative societies. In the case of sole proprietors or partnership concerns, this limit is up to Rs. 30 lakhs.

Interest rates on term loans vary at different locations of the state.

A rebate of 1% is given on prompt payment of instalments, which includes the interest and principal amounts. In the case of default, however, 1.5% penalty interest is charged. A further 1% interest rebate is applicable to women entrepreneurs if they belong to a scheduled caste, scheduled tribe or other backward caste.

The minimum promoter's contribution expected in the project under the scheme is also location specific.
Promoter's contribution does however depend upon the project cost and on the merits of the project, keeping in mind, the debt equity ratio/cost accruals/profitability and viability of the project.

A liberal security margin is fixed depending upon the merits of each case. Normally, the loan is repayable within a period of 8 years, including a moratorium period up to 2 years.

(b) Special Package of Incentives and Concessions Available from the Government of Karnataka

The Karnataka State Government provides an additional 5% investment subsidy to the tiny and small-scale units established exclusively by women entrepreneurs, either individually or collectively and which employ more than 51% women in these units. This additional subsidy is available up to a maximum of Rs. one lakh and can be availed over and above the 15% (or maximum Rs. 15 lakhs) investment subsidy for the units set up in Zone II, and 20% (or maximum of Rs. 20 lakhs) in Zone III.

- Tiny, small, medium and large scale industries to be set up by women entrepreneurs in Zone II and Zone III are eligible for sales tax exemption as detailed below:

  - For tiny units, sales tax exemption is up to 100% of the value of fixed assets for a period of 7 years from the date of going into commercial production, subject to a total ceiling of Rs. two lakhs.

  - For small scale units, sales tax deferment is up to 50% of the value of fixed assets over a period of seven years from the date of going into commercial production, subject to a total ceiling of Rs. two lakhs. Further, sales exemption is up to 50% of the value of fixed assets over a period of 7 years from the date of commercial production, subject to a ceiling of Rs. 50 lakhs.

  - For medium and large units, sales tax deferment is up to 50% of the value of fixed assets, subject to a maximum of Rs. 50 lakhs over a period of 7 years from the date of going into production. Repayment commences from the 8th year of production.

Priority is given to women entrepreneurs in allotment of scarce raw materials, allotment of sheds/lands and in Government purchases.

- Industrial Finance Corporation of India (IFCI) provides a one-time interest subsidy, equivalent to the amount of interest payable by the industrial unit set up by the woman entrepreneur to the SFC or State Financial Institution or bank for the loan assistance disbursed for the project for a period of one year, subject to a ceiling of Rs. 20,000 per annum.

(c) Rajasthan Financial Corporation Scheme for Women Entrepreneurs

Under this scheme, women entrepreneurs get term loans on low margins. The maximum contribution required to be made in the form of share capital by the entrepreneurs is 10% of the project cost. A nominal service charge of 1% is charged under the scheme.

Seed capital assistance of 15% of the project cost is allowed to women entrepreneurs, and loans are sanctioned to artisans, cottage industries and also to industrial units set up in the tiny sector.

(d) Andhra Pradesh State Financial Corporation Scheme for Women Entrepreneurs

The objective of this scheme is to provide financial assistance to women having entrepreneurial traits and who can subscribe to at least 51% of the total equity. The project selected should be a small-scale industry and the woman entrepreneur should be the managing promoter with controlling rights.
Loans sanctioned by SFC should be used exclusively for acquiring fixed assets such as land, buildings, plant and machinery items. For units located in notified backward areas, SFC charges 12% interest on the net loan sanctioned, and 12.5% interest for units located in other than notified backward areas.

The promoter's contribution should be at least 15% of the total project cost irrespective of the location, and the debt-equity ratio should be at 2:1 of the total project cost. Loans are sanctioned on mortgage of land and buildings and hypothecation of plant and machinery. In the case of sole proprietorship and partnership firms, third party guarantee is not insisted upon, subject to a limit of Rs. 5 lakhs. In the case of private and public limited companies, the term loans should be guaranteed by the directors.

In addition, women entrepreneurs are also eligible for finance under the following government sponsored program where the capital subsidy is available and the rate of interest is very low:

- Self-Employment Scheme for Educated Unemployed Youth (SEEUY)
- Self Employment Program for the Urban Poor (SEUP)
- Integrated Rural Development Program (IRDP)

If the entrepreneur has not received finance under any subsidy linked scheme of the Central/State government, and the annual income does not exceed Rs. 6,400 (in rural areas) and Rs. 7,200 (in semi-urban, and metropolitan areas), she is also eligible for finance under the “Differential Rate of Interest Scheme” at 4% per annum.

8.25 National Level Training Institutions

(a) National Institute for Entrepreneurship and Small Business Development (NIESBUD)

The National Institute for Entrepreneurship and Small Business Development is an apex body established by the Ministry of Industry, Government of India, for coordinating and overseeing the activities of various institutions/agencies engaged in entrepreneurial development in small industry and small business.

Besides its many activities in promoting entrepreneurship in the country, NIESBUD has evolved model syllabi for conducting EDPs for various client groups including women. A syllabus for developing rural women as entrepreneurs was also designed by the Institute as per the recommendations of the National Level Standing Committee on Women Entrepreneurs. NIESBUD also organizes national and international training programs exclusively for potential women entrepreneurs and women trainers/promoters in the area of entrepreneurship development. It also undertakes exploratory research in the field of women's entrepreneurship.

(b) Entrepreneurship Development Institute of India (EDII)

EDII was established in 1983 as an autonomous institution under the Societies Registration Act. It was jointly sponsored by the Industrial Development Bank of India, Industrial Finance Corporation of India, Industrial Credit and Investment Corporation of India and State Bank of India and has the active support of the Government of Gujarat. EDII is governed by its own Board.

Committed to education, research and training, it is widely recognized as a national resource center. International recognition is reflected in the support it has received from the World Bank, International Labour Organization, UNIDO, Commonwealth Secretariat and several other reputed agencies.
The mission of EDII is to enlarge the numbers and enhance the quality of industrial entrepreneurs through education and training; contribute to multiplier effects with regard to opportunities for self-employment; augment the supply of trainer-motivators for entrepreneurship development; participate in institutional building efforts; and contribute to the creation and dissemination of new knowledge and insights in entrepreneurial theory and practice, through research.

(c) International Center forEntrepreneurship and Career Development (ICECD), Ahmedabad

ICECD is an autonomous organization established by a group of professionals to promote women entrepreneurs through training, educational and research initiatives at both the national and international level. Some of the areas that ICECD works in include gender issues, women's economic empowerment, management capacity building in government and non-governmental organizations, awareness generation for enterprise establishment, credit delivery and support, and technology identification and transfer. ICECD has had experience in developing a large number of women for economic self-sufficiency in rural and urban areas of many developing countries. Based on its experience it has also developed a few training manuals such as Group Entrepreneurship for Rural Women and Trainers' Manual.

8.26 State Level Specialized Training Institutions

(a) Technical Consultancy Organizations (TCOs)

Technical Consultancy Organizations have been established in almost all the States. Presently 21 such organizations are functioning in the country.

The main objective of the TCOs is to help potential and existing entrepreneurs obtain a variety of information on different projects. TCOs conduct Entrepreneurship Development Training Programs as well, some of which are especially for women. In addition, some of the TCOs have a specialized "Women Cell."

(b) Institutes of Entrepreneurship Development (IEDs)

As part of the strategy to pay special attention to the promotion of entrepreneurship, Institutes of Entrepreneurship Development have been set up by the central finance institutions and the commercial banks with the help of the concerned state. Presently, IEDs are already in operation in Uttar Pradesh, Bihar, Madhya Pradesh, Maharashtra, Orissa, Gujarat, Karnataka and Kerala.

These institutions aim at the development of entrepreneurship in different sections of the society through well planned educational intervention programs. Training, escort services, counseling, research and publications also form part of the IED's activities.

(c) Gujarat Initiatives

Besides the above-mentioned organizations, there are a number of other institutions which accord priority to women's entrepreneurship. In Gujarat alone, these include institutions like GIITO (Gujarat Industrial Technical Consultancy Organization), GSSIC (Gujarat Small Scale Industrial Corporation), GSKVI (Gujarat State Khadi and Village Industries Board), Gujarat Industrial Development Corporation and Gujarat State Financial Corporation (GSFC). These apart, all nationalized and cooperative banks are also supposed to help women entrepreneurs.
(d) Maharashtra Industrial and Technical Consultancy Organization (MITCON)

MITCON helps women entrepreneurs in the state of Maharashtra. It has conducted several part-time and full-time programs of nine weeks and six weeks respectively, for women entrepreneurs in Pune and Thane. Between 1985 and early 1988, 70 women received training in these courses. Within the first three years, 53 women who received training had already started their units and 33 more were expected to begin their own units. MITCON also organizes special courses for target groups, like science and technology graduates and the products are chosen in keeping with the academic background of the women.

MITCON helps women to identify the product they wish to manufacture, it guides each unit while it is being set up and continues with expert even afterwards. A survey of women who have been helped by MITCON revealed that women have moved away from the traditional enterprises of jams and pickles and have entered fields totally unrelated to conventional female choices, such as plastics, furniture, foundry and computers.

8.27 Others

(a) Indian Institute of Marketing Management (IIMM)

This Delhi-based institute, along with Babu Jagmohan Das Shah Trust, confers awards on successful women entrepreneurs and executives in business, trade and industry. Yearly awards were instituted in the UN Year of Women in 1980, and since then 250 distinguished women in business have received the awards.

(b) Research and Technology Foundation (RTF)

RTF is a voluntary organization registered under the Indian Trust Act of 1888. It aims at fostering the development and growth of rural, small and medium enterprises. As part of its efforts in entrepreneurship development, it attempts to motivate women for greater participation in cottage and rural small and medium enterprises through EDPs, and by setting up their units and providing escort services. It also provides assistance in the field of technological upgradation, research and development, marketing, credit, training under PMKY and development of rural enterprises.

8.26 National Level Women Entrepreneurs Associations and Organization

(a) Women Entrepreneur's Wing of National Alliance of Young Entrepreneurs (NAYE)

The Women Entrepreneur's Wing is an integral part of the National Alliance of Young Entrepreneurs (NAYE). More than 45,000 entrepreneurs in different parts of the country have registered with NAYE and are forging ahead with confidence and determination, steadily moving into higher technology areas. NAYE constantly lobbies with the Central and State governments for special facilities and incentives to be provided to women entrepreneurs in the form of land and sheds, easier access to credit, providing up-to-date technologies and arranging for training, production management and marketing.

(b) Federation of Indian Chambers of Commerce and Industry (FICCI Ladies Organization)

FICCI is the oldest and the strongest association of business, commencing operations in India in 1923. Its membership has increased from 400 in 1980 to 1,600 in 1984. FICCI has a separate
women's cell which held its first Entrepreneurship Development Program for women in 1986. It has also organised several training courses specifically for women entrepreneurs, under the ILO's Improve Your Business (IYB) programme.

(c) Indian Council of Women Entrepreneurs (ICWE)

ICWE, located in New Delhi, is an integral part of the entrepreneurship movement in India and renders valuable services for the advancement of women's entrepreneurship in the country.

(d) The Working Women's Forum (WWF)

WWF, a grassroots initiative headed by Jaya Arunchalam, has organized about 57,000 business women in Tamil Nadu, Karnataka and Andhra Pradesh. All of them run their own small enterprises. The organization was started in 1978 and the main issues addressed by WWF at the time were: (i) lack of organization amongst women in the informal sector (ii) lack of consciousness amongst these working women which caused them to be exploited by middle-persons and (iii) lack of access to cash or credit for productive and increased employment.

In the city of Madras, more than half the women micro-entrepreneurs in the unorganized sector are affiliated to WWF. Their unity has provided them with access to credit sources. WWF has intervened in exploitative situations, especially in instances where poor women entrepreneurs were at the mercy of middlemen, so that today these women are confident entrepreneurs in their own right.

WWF has a simple operating strategy for enabling women to avail of credit facilities. To start with, groups of 20 are formed with two leaders chosen in each group. The leaders act as loan guarantors and are responsible for collecting dues. 2,500 fisherwomen in the coastal village of Adirapalam, in Tanjore District of Tamil Nadu, have been organized in this way. Credit facilities were provided to them within the first three years. 1,500 fisherwomen were given loans to remove them from the clutches of middle-persons. They have also been exposed to the modernization of traditional fishing operations.

In Andhra Pradesh, WWF has made an impact through working with the lace-makers of Narasapur District. The lace-making industry is heavily dependent on women for labour. In Narasapur, these women were exploited through provision of low wages and long hours of work, which in turn resulted in various occupational illnesses. Since lace-making is mainly an export-oriented industry, these women once organized, were able to pressurize exporters linked with them for an increase in wages, i.e., from Rs. 5.00 to 8.00 per reel.

In Karnataka, WWF has mainly been working with women in the agarbatti industry. WWF organized 200 such workers from different areas in Bangalore and as a group, pressurized middle-men to double their wages from Rs. 2.70 to Rs. 5.50 per day. bidi making women in Vellore were also unionised, and the union had a membership of 1,500 within a span of eight months.

Within the first three years, WWF was able to organize over 7,000 women into groups and more than 5,600 women were given loans. WWF enabled these women to become self-employed with the subsidies and credit-flow generated through WWF's own funding resources.

The goal of WWF is first to unionise the workers working in small industries, and then to steer them on towards self-employment through loans, know-how, enterprise creation and moral support. It is an ongoing struggle to inspire poor, illiterate, deprived and exploited women into becoming entrepreneurs.
8.29 State-Level Women’s Organizations Associations

(a) Women Entrepreneur’s Association of Maharashtra (WEAM)

WEAM was set up in May 1983; its head office is in Pune with branches in Bombay, Aurangabad, Nasik and Dhuia. This association has 400 members in the state of Maharashtra. WEAM’s main objective is to provide a forum for members and help them sell their products. It also conducts training programs. So far it has conducted 20 exhibitions. Its exhibitions receive the enthusiastic support of its members.

WEAM has been lobbying with the State Government, demanding that 15% of its purchases are made through women entrepreneurs. It has also been demanding that banks do not insist on guarantees for women entrepreneurs.

WEAM held its first state-level Convention for the women entrepreneurs of Maharashtra in May 1990. It is currently working towards the establishment of industrial estates in New Bombay. It is also trying to acquire land for an industrial estate.

(b) Association of Women Entrepreneurs of Karnataka (AWAKE)

This Bangalore-based organization was formed by a team of seven women headed by Madhura Chatrapathy. AWAKE assists women entrepreneurs in a variety of ways by guiding them in matters such as project report preparation; whom to contact for finance; how to choose a product; what kind of products to use; how to deal with bureaucratic procedures; how to tackle labour problems and so on. Through an exclusive arrangement with a consultancy service, technical knowledge is also shared. This is the first organization of its kind in India.

AWAKE accepts only those entrepreneurial women as members who have demonstrated their ability to manage the gamut of functions after setting up their own enterprises.

(c) Association of Women Entrepreneurs of Small Scale Industries (AWESSI)

Another pioneering effort to organize women entrepreneurs in Southern India is the Association of Women Entrepreneurs of Small Scale Industries, founded in Madras in 1984. Ms. Flossy Raj, founder President of the Association and member of the World Assembly of Small and Medium Entrepreneurs (WASME), conceived the idea of a women entrepreneurs’ association in the 1970s.

AWESSI’s goal is to promote, protect and encourage women entrepreneurs and their interests in the Southern parts of India. It does this by cooperating with Central and State government services and other government agencies, and by promoting measures for the furtherance and protection of small-scale industries.

The Association attracts a cross-section of women and its members are mostly above the age of 30, with educational levels averaging at SSLC.

Ms. Raj points out that there are two major obstacles that women must overcome in small enterprises: (i) The generally biased assessment about the technical eligibility of women to enter entrepreneurship, and (ii) their ability to repay loans. Banks refuse to even consider loan applications until a working site is allotted. Thus, women entrepreneurs must face this severe test of establishing their financial credibility, when the banks insist that they must pay the first deposit within a month of the allotment. Subsequent payments are often to be made within three months.
The State Bank of India favours rural schemes, and this leaves urban women entrepreneurs at a loss when they feel the need of a bank loan.

(d) Gujarat Chamber of Commerce and Industry (GCCI): Women's Wing

The Women's Wing of GCCI started its operations in July 1955 to foster the overall objectives of bringing together and helping women to take leadership roles and facilitate self-employment. It has over 300 active members who interact with each other regularly. The Wing conducts thematic seminars and holds exhibitions of products manufactured by women entrepreneurs. The seminars held so far have covered issues like the contributions of women entrepreneurs to the development of industries, marketing, banking and the diamond trade industry. Through one-day working seminars, workshops and talks, the Women's Wing attempts to solve problems faced by women entrepreneurs. So far 35 such events have been organized.

(e) Sriram Credit Society

The Sriram Credit Society, based in Ahmedabad, has several women members on its Board. This has provided some women entrepreneurs in rural Maharashtra with a solid foundation.

8.30 NGO Initiatives

There are many voluntary organizations and non-government organisations who provide assistance to women. Some of which offer interest-free loans for purchase of equipment that the women may require in order to set up her enterprise. Also loans/grants to meet working capital requirements to carry on small business ventures like vegetable vending, rice, fish vending, setting up general stores etc. are provided. A few of such organisations involved in promoting women entrepreneurship are listed below.

(a) Udyogini

Udyogini, a Non-Government Organisation's main objectives are to strengthen skills and empower poor, marginalised women so as to enable them to sustain their ventures and improve their economic and social status. It also aims to strengthen development organisations working at grassroot level with women's groups involved in micro-enterprise initiatives. It is supported by the Economic Development Institute of the World Bank to carry out WEMTOP (Women's Enterprise Management Training Outreach Program). The programme aims at developing and strengthening NGOs and voluntary organisations in terms of institution building, training of trainers, and delivery of training to women which is carried out in turn by the NGOs.

(b) Social Alliance of Women Entrepreneurs (SAWE)

SAWE which is Kerala based, is a non-government organisation set-up in 1990 to socially and economically uplift poor rural women. It has been providing the following services to women: income generation activities, self employment activities as well as skill development training in garment making, mushroom cultivation, screen printing, motor rewinding, etc.

The organisation is run by volunteers, with experts being called in for programmes. There are 200 members of the association, consisting of beneficiaries and volunteers.

(c) Rural Development and Self Employment Training Institute (RUDSET)

RUDSET Institutes are located in 11 centres in rural India. These institutes are actively associated with development of self employment programme and entrepreneurship development training and
support to entrepreneurs in rural areas. The institutes conduct skill development training programmes in a number of fields, both agro-based and others. These programmes are tailored to the needs in the region in which the institute is located. A few women-specific programmes are also conducted.

(d) Marketing Organisation of Women Entrepreneurs (MOOWES)

MOOWES, based in Madras, has been set up with the objective of promoting women entrepreneurs by providing marketing services to them. It regularly holds exhibitions of products made by women who are its members. In addition, the organisation is now planning its own showroom in Madras.

(e) Consortium of Women Entrepreneurs of India (CWEI)

The Consortium of Women Entrepreneurs of India has been created, keeping in mind the need of women, to explore new marketing linkages and exchanges of technology within the country and overseas. The aim of the Consortium is to act as an alternate trading organisation (ATO) linking with nodal agencies in India and abroad for direct marketing, both in the domestic and export markets as well as in product and design development.

(f) Ladies' Wing of Indian Merchants' Chamber

The Ladies' Wing was initiated and established by Indian Merchant's Chamber in 1966 in Bombay. The activities of the wing inspire, motivate and encourage women to share the business opportunities presented by the new age. Inspiration comes from eminent personalities from various fields invited to express their views and experiences in their chosen fields. The Wing is claimed to be one of the most dynamic organizations in the Western Region, with more than 1,000 members which include entrepreneurs, managers, executives, professionals and women from business families.

(g) FISME Federation of Indian Women Entrepreneurs (FIFIWE)

FIFIWE is an autonomous national-level women entrepreneurs' organisation whose main functions are networking and providing a package of services to the associations of women entrepreneurs in different parts of the country. Another major objective of FIFIWE is to help secure women their rightful place in the national economy and also to strengthen international cooperation. It also aims to affiliate associations of women entrepreneurs from various districts and states of the country so that they can avail of the various facilities and services provided to women entrepreneurs. Individual women entrepreneurs are also eligible for general membership.

Assistance to women is also provided by voluntary organizations, some of which offer interest-free loans for the purchase of equipment that the woman may require in order to set up her enterprise. Also, grants/loans to meet working capital requirements to carry on small business ventures like vegetable vending, rice, fish vending, setting up general stores, etc., are provided.

(h) Self Employed Women's Association (SEWA)

SEWA (Ahmedabad) was established in 1972 and has emerged as a pioneering organization championing the cause of the poor self-employed women. SEWA is presently an autonomous, registered trade union, although it functioned under the women's wing of the Textile Labour Association until April, 1981. With the Gandhian philosophy guiding SEWA's efforts, SEWA organizes women in the informal sectors by trade, so that problems unique to each occupation can be addressed
by the women collectively. SEWA women are primarily engaged in trades such as vegetable vending, farm labour, handloom weaving, selling door to door articles of daily necessity, block printing and bamboo-weaving.

Each member of SEWA can avail of the services of three organizations: the SEWA Union, the SEWA Bank and the SEWA Mahila Trust. The Union supports the organization of trade groups and helps in the continued struggle against various vested interests. The Bank provides banking and credit facilities, and the Mahila Trust extends facilities for legal aid, social security, productivity training and education.

The creation of banking and credit facilities for poor self-employed (and mostly illiterate) women, was one of the important developmental efforts spearheaded by SEWA. The Mahila Sahakari (Women’s Co-operative) Bank was registered in 1974 and is the only one of its kind in the country. This Bank has belied all reservations of the organized banking structure regarding provision of credit to poor, illiterate and self-employed women, and has become a viable financial unit with share capital and deposits from its members. The myth that poor women have low loan repayment rates, has also been shattered by SEWA’s experience. In fact, SEWA’s experience with banking and credit has proved that such inputs are vital in the struggle of poor women to be freed from the clutches of money-lenders and to succeed in their bid to be self-reliant.

Apart from the above, SEWA provides support to its members in a variety of ways. For instance, a package of information, awareness and bargaining skills are made available by SEWA personnel through their numerous services, such as counselling, skill enhancement courses, and the large bank which enables self-employed women to become assertive and demand their fair share in the market. SEWA’s efforts have received local, national and international recognition.
CHAPTER IX

Summary of Findings and Recommendations

9.1 Findings

The salient findings of the preceding sections have been summarized as follows:

1. The sex ratio (women per thousand men) is currently estimated at 931, but has regional variations.
2. The life expectancy of women is estimated to be 62 years.
3. The average age of marriage for women has crossed the legal minimum of 18 years.
4. The fertility rate is 4.6.
5. The intake of various food items by female children (age 3-9 years) is significantly less than that of males. The incidence of diseases, especially those due to nutritional deficiencies and infections, are generally higher for female children.
6. The infant mortality rate is higher (approximately double), in rural areas as compared to urban areas.
7. 38% of the female population in India is literate.
8. 90% of all women workers belong to the informal sector, and 80% are engaged in agriculture and allied activities.
9. 7.5% representatives in trade unions are women and 1% office bearers in trade unions are women.
10. The number of women entrepreneurs has increased over time. Samples collected point to their being almost 13% of the total number of entrepreneurs.
11. Women are generally reported to start their enterprises after the age of 35, as compared to men who tend to start their enterprise between the age of 25-34 years.
12. Women entrepreneurs generally set up their enterprises after marriage, while men are usually found to be single when starting their enterprise. Interestingly, most studies have reported a significant percentage of women entrepreneurs to be divorced, separated or widowed.
13. While both male and female entrepreneurs were found to be in the middle income category, larger numbers of women entrepreneurs were in lower middle income category as compared to male entrepreneurs.
14. While women who set up enterprises generally do not have a technical background, coming mostly with liberal arts or humanities educational qualifications, they are found to match their technical skills with the enterprise they choose to establish.
15. About 50% of women entrepreneurs are concentrated in manufacturing textile and gar-
ments and the food industry, and large numbers are also involved in services and trading. 
Many women entrepreneurs are also beginning to opt for non-traditional enterprise choices 
in innovative and high technology areas.

16. A significant percentage of women generate employment for 5-9 persons in their unit, 
even though most generate employment for 1-4 persons.

17. Women tend to opt for sole proprietorship as their choice of organizational structure.

18. Psychological traits of female and male entrepreneurs are reported to be different in as-
pects such as self-confidence (more in the case of male entrepreneurs) and fear of success 
(quite high among females as compared to male entrepreneurs). Women have medium 
achievement motives and initially have low risk-taking tendencies.

19. The success rates of women in enterprise establishments is higher than their male coun-
terparts. They successful ones usually cite economic gain as the main motivation for start-
ing their enterprise.

20. The majority of men have initial project costs over 10 lakhs, while most women have a 
total investment less than 10 lakhs.

21. Women face a variety of problems right from the inception of their enterprise, as well as 
through the different stages of enterprise growth. Some of these problems stem from 
intrinsic factors, such as their own role conflicts, limited mobility, lack of aptitude, etc., all 
a consequence of socialization patterns. Others problems arise due to external or extrinsic 
constraints. Lack of enterprise-related information, especially of special schemes and in-
centives they can avail of, compounds their problems.

22. During the start-up phase, women are reported to encounter more problems, both within 
their family and as part of the larger system which discriminates against women. For 
instance, problems cited pertain mostly to obtaining finance, delays in the process, and 
providing collateral security, often as a consequence of insensitivity to the particular situ-
ation of women, or due to gender biases.

23. Most women, however, cite marketing as their main problem and they are also found to 
be poor in keeping business accounts and records.

24. Special programs have been launched for women entrepreneurs by promotional agencies 
at both the central and state levels.

9.2 Recommendations

On the basis of available literature, findings and observations, some recommendations have 
been formulated and are listed below in thematic clusters.

(a) Conceptual Clarity

- A clear distinction between programs for self-employment, welfare schemes and entrepre-
neurship development, needs to be made, not only for scheme clarity, but more for a 
clearer understanding of the objectives of such initiatives. Such clarity will also benefit re-
lated measures for effectiveness and impact.
(b) National Policy

- Women should be represented at all policy levels and planning bodies related to enterprise development; national level policies should be geared towards vocationalization of women in productive work.

- A liberalized policy of technology transfer would go towards improving the capabilities of women entrepreneurs.

(c) Policy Implementation

- There is a crucial need for ongoing monitoring of policy implementation in terms of its effectiveness, extent and scope, shortcomings and impact, so that corrective measures to increase the efficacy of the policy on the ground, can be taken accordingly. Although some sort of monitoring is currently practised, the outcomes of assessments if conducted, are for the most part, simply not available and if available only reflect achievements against set targets. For example, WDCs have been in operation for over a decade and no consolidated information pertaining to their impact is available to date.

- Policy implementation depends largely on the commitment, professional approach, goal orientation and attitudes of the change agents involved in promoting women’s enterprises. Thus it is of vital importance that human resource development of these agents is undertaken, so that personnel at all levels are motivated to perform to the best of their abilities. Gender sensitization of staff of support agencies is imperative.

(d) Finance

While institutional finance is available to women, interest rates on bank borrowings are high for prospective entrepreneurs. It would be worthwhile to implement the recommendation of the R.S. Bhatt Committee that banks take a flexible stand on assistance for 15% of the total investment by entrepreneurs. One may even go a step further and suggest an increase of the equity fund from 15 to 25%.

- A serious problem faced by entrepreneurs is that they have to start repaying the loan amount sooner than when they are ready. Increasing the starting point of loan repayment has been made recommended by various bodies but has not been acted upon. Repayment schedules should be phased and flexible to allow for unforeseen contingencies that are bound to arise in the initial stages of enterprise establishment.

- Poor women have a particular need for small short-term loans. This is because, in general, their turnover is low, their capital revolves fairly quickly, and they lack the confidence to contract larger loans. It is therefore important to provide short-term loan facilities expeditiously, to allow clients to take advantage of economic opportunities as they arise. It would also be useful to provide serial loans to women, because this facility would permit them to slowly increase their loan and capital stock as the business develops and their managerial capacity improves.

- The long-term goal of targetted credit programs should be to become superfluous. To make targeting unnecessary requires an improvement in the outreach of formal financial institutions and improved access of women to formal market credit. Reduction of transaction costs and risks is equally important to encourage more institutions to lend to poor women.
Loan conditions should also be as flexible as possible to allow individuals to obtain the exact service they require.

- To overcome the hostile image and lack of confidence which most poor women have in them, banks need to improve their communications and public image. Local branches should have the flexibility of responding to local needs and conditions rather than being inhibited by centralized procedures. Once a clear picture of local needs is available to the bank, it should formulate an appropriate strategy for reaching women entrepreneurs. Information on what the bank has to offer, how it works, requirements for obtaining credit, rules concerning repayment and default, and special schemes and incentives, should be made available to the local people, especially to individual women and women’s groups.

- With regard to finance and credit needs of women, the National Commission on Self-Employed Women and Women in the Informal Sector made several noteworthy recommendations. Of particular pertinence to this report are the following:

  (i) "...The banking policy needs to be implemented in favour of women with greater amount of flexibility. It would assist women further if banks have counters exclusively for women and extension workers to help them. Banks managed by women have proved to be more advantageous and within the reach of women. Opening of women’s cooperative banks should be promoted.”

  (ii) "...It will be beneficial to women, if, apart from giving individual loans, these are advanced to or through agencies with which women have dealings like Mahila Manchals, women’s groups, Anganwadi workers, State Advisory Boards and Women’s Development Corporations. These bodies can also be channelized for getting the paperwork completed. The entire loan should be given in the name of the individuals through bank pass books. These loans could be advanced from the banks according to the existing procedures.”

  (iii) “The quantum of loans given to women should be assessed realistically keeping in view their needs. Giving loans of a lesser amount is self-defeating....The Commission therefore recommends that no blanket ceiling for loans for the poor should be made, and the ceiling should have certain flexibility. Loans should be combined with a component of subsidy.”

  (iv) "...If the husband has been a defaulter, the woman is disqualified from getting loans. This needs to be reviewed as, in many cases, the default by the husband may be due to factors like non-viability of the project and inadequate amount of loans. In some cases, husbands may be genuine defaulters, misusing the amount, thereby pushing the family in greater distress. For this very reason, the woman may want to take loans. The project should be screened, and if it is seen that the woman is not being used as a screen for a further loan by the husband, it would not be proper to deprive the wife from taking the loan because the husband is a defaulter.”

  (v) "The National Commission recommends innovations in the credit mechanism to assist poor women who are unfamiliar with the complexities of institutional finance. The Commission strongly recommends the need for setting up an exclusive credit
body for poor and self-employed women, in recognition of their socio-economic realities. It is also a recognition of the inability of the existing credit systems to cater to the needs of women workers.”

(vi) “...Since the voluntary sector has unequivocally proved its activeness in delivering credit to this target sector, the proposed national credit body must aim to support such organizations. Rather than take on a bureaucratic size and a cumbersome operation of operating lending windows over the country, this body can support the voluntary organizations which can further loan to the target sector.”

(c) Raw Materials

- The National Commission for Self Employed Women recommended that “where raw materials are not easily accessible, alternative channels should be identified through which good quality raw material would be procured at reasonable prices.”

(f) Marketing

- A certain proportion of marketing centers at prime locations should be exclusively allotted for individual and group entrepreneurs. Facilities for exhibitions of products of women entrepreneurs should be available at nominal charges.

- The National Commission for Self Employed Women recommended that:
  
  (i) The following agencies could be used as marketing outlets and also assist, if necessary, in acquiring credit and raw materials:
      — Consumer societies and consumer federations
      — Cooperative societies and cooperative federations
      — Supermarkets
      — State emporia
      — Setting up of Government depots for a cluster of villages which could supply raw materials if necessary, and collect finished products from women to be supplied to agencies with whom marketing tie-ups have been made.

  (ii) “The role of the Divisional Centers and State Federations should be a mix of promotion and active intervention....The areas of active intervention would be:
      — Provide a network of marketing outlets
      — Provide expertise in finishing a product to be marketed
      — Give training to peer leaders in managerial skills
      — Giving training to identified groups of women in the application of new technologies.

  (iii) “The Government itself can provide marketing facilities to women as it makes extensive purchase of goods and services during the course of the year which could be supplied by women. Goods may be supplied by Mahila Mandals, women’s cooperatives or District Divisional Centers...These purchases could be done from women’s groups directly by the State Governments as is being done in Gujarat or through the Women’s Development Corporations as is being done in Punjab.”
(g) Infrastructure

- Women entrepreneurs face a very real problem when selecting an appropriate business site. Facilities, estates, sheds or specific geographical areas need to be earmarked for their exclusive use. On an experimental basis, a few such industrial estates have already been established and are functioning effectively. These need to be popularized throughout the country.
- Infrastructural agencies are notorious for sending legal notices for minor lapses. This has an adverse effect on women entrepreneurs. Sensitization of staff in these agencies could minimize such action that they take vis-a-vis women entrepreneurs.

(h) Support and Networking

- Promotional and developmental organizations should identify and promote projects suitable for women entrepreneurs.
- It is imperative to ensure that existing counselling centres for women entrepreneurs have female counsellors rather than males. It is also necessary to add counselling units for women in enterprise promotional agencies. Thus cells in the Directorate of Industries or the District Industries Centres, would counsel and guide women in the selection of a viable project, provide information on raw material supply; the cells in banks would advise and guide women entrepreneurs on projects so that banks do not reject applications, from women, and cells in financial institutions would inform women entrepreneurs of the types of financial assistance and specific schemes available for their projects.
- There needs to be proper networking amongst developmental organizations, both governmental and non-governmental. There is a need to link skill development organizations with entrepreneurship development agencies for effective development interventions.
- Creation of an inter-regional NGO consisting of women entrepreneurs with affiliates at the national level could help in building a network for dissemination of information and furtherance of inter-regional cooperation. This body could also approach international funding agencies for financing and facilitating technology transfer between countries and could monitor enterprise sectors in which women entrepreneurs are concentrated. A network such as the network of women entrepreneur support organisations in five Asian Countries, launched by ILO-SAAT with support from Swedish Sida, needs to be further developed and expanded.

(i) Information and Awareness

- Awareness about entrepreneurial opportunities and entrepreneurship as a career option for women needs to be created in society at large. This could be done through well-planned publicity campaigns launched through newspapers, radio transmissions and television. Such efforts could be directed at changing the traditional values of society at large, so that a conducive environment for the emergence of larger numbers of women entrepreneurs is gradually created.
- Since there is such an acute paucity of information, brochures giving detailed information on schemes and incentives for women entrepreneurs should be made available, distributed and displayed in all promotional agencies, research and training institutions and women’s colleges.
- Concepts related to entrepreneurship should be introduced in school and college curricula, while vocational guidance cells in schools and colleges should be equipped with knowledge and information on entrepreneurship as a career choice.
There is an acute scarcity of information which would be useful for women entrepreneurs. What does exist is scattered and often difficult to procure. It would be useful to develop women's cells throughout the country which could have information databases to be availed of by women entrepreneurs. These cells could also undertake research work which would be of practical value to women entrepreneurs. A membership fee could be charged for services rendered so as to make the cell self-sustaining. Although women's cells do exist at present in general, their functioning leaves much to be desired.

Video documentation of cases and profiles of successful enterprises set up by women should be attempted for dissemination and use during training programs conducted for potential women entrepreneurs.

Exchange and exposure visits for women entrepreneurs to successful women's enterprises should be encouraged by the State Governments.

(j) Research

Hardly any research has been carried out on a large enough sample of women entrepreneurs in India. Studies that do exist are on small sample sizes, are sporadic and are inconsistent in their use of categories. It would be useful to have reliable data on a variety of economic indicators on a large enough and nationally representative sample. Incorporation of some of the vital indicators in the Census would provide at least basic information on this issue.

Gender differences in entrepreneurship is a much neglected area of research in the Indian context. Even so, the few research studies that have been carried out tend to use indicators that have been developed for a male population. Female-specific indices need to be identified and tested. On the basis of research carried out in this area, training and policy interventions need to be formulated.

(k) Innovation and Experimentation

Experimentation models need to be attempted, the successes of which could guide policy. In this process, the involvement of NGOs and established professionals could be sought. For instance, sporadic experiments in cooperatives and group entrepreneurial ventures have been attempted. It would be useful to consolidate the lessons from these efforts and systematically replicate these with larger numbers of women.

"First hand experience centres" need to be established in areas where women entrepreneurs tend to cluster, such as textiles and ready-made garments, food and chemical industries. These experience centers would provide an exposure to upcoming entrepreneurs on the actual functioning of a unit that they wish to set up. Although such facilities are available in a few polytechnics, these could be popularized for training and orientation purposes.
References


Jaythi, S.S. (1992) "Role of Women in Cooperatives".


Kumar, S. (1992), "Women Micro-Enterprises for Farm and Non-farm Activities".


Sengupta, R. (1992), "Micro Enterprise Creation".


Small Scale Sector: Some Common Problems

(1) Policy

- Many of the 834 items that are reserved for exclusive production in the small scale sector are no more than sub-divisions or components of products already reserved and thus the number of items technically reserved for the small scale sector shows an increase without any significant change in the nature and content of the reservation program.

- The Government Agencies and Departments have to show preference in their purchase to the 409 items earmarked under group IV, and up to 75 per cent in the fifteen reserved items in group V and 50 per cent in the twenty five items reserved under group VI. When small firms compete with larger ones directly, to get contract from the Government, a 15 per cent price preference is given to the former. The scheme is not taken seriously by the Government Departments in providing marketing support to the smaller entrepreneurs.

- Despite the sickness prevailing in this sector especially among the smaller firms, no clear policy has emerged to address the same.

(2) Information Related

- There exists a tremendous information gap in the small scale sector. The entrepreneur has to approach multiple agencies, fill up multitudes of forms and make numerous visits to institutions to obtain information on infrastructure, raw material, power, finance, subsidy, extension service and training. Even a place like DIC which is expected to provide all services under a single window is not able to provide clearcut information on simple procedural matters such as where forms can be obtained, the persons in-charge of particular sections, types of forms to be submitted, number of copies of documents to be submitted along with the application, deadline for submission etc.

(3) Infrastructural

- Industrial estates are often without adequate water, power, road, drainage, transport and communication facilities and it is not easy to get power connections.

(4) Technology

- The technology developed by the NRDC often suffers from lack of field applicability. Calculations of utilities, equipment as made in the laboratories in the pilot project, using outmoded equipment
are mismatched in many cases for the field requirement. The entrepreneur's request for credit assistance based on such calculations often gets turned down. Small entrepreneurs who invest their entire savings or borrowed money at high costs, when obtaining the required technology are pushed out of the market when the technology fails. Larger firms pay royalty to laboratories in compliance with the regulation but import the required technology.

(5) External Environment
- Entrepreneurs also have to face problems pertaining to inadequate supply of raw material, access to technology and extension service.
- Access to technology testing services, process and product development centres are beyond the reach of the smaller firms.

(6) DIC Functioning
- The District Industries Centres (DICs) are more regulatory than promotional in their approach. They are usually understaffed and have weak linkages with technical agencies. Managers have very little knowledge about the availability of latest technology or product development. The quality of advice rendered is poor leading to selection of stereotyped businesses.
- Though DICs are entrusted with important responsibilities, they have no corresponding authority. The result is that the entrepreneur does not get land, shed, raw material, credit, power connection, licence etc. in spite of getting recommended by the DIC.

(7) Procedural
- It is estimated that an entrepreneur has to keep in touch with as many as 30 organizations or departments and fill up as many as 60 forms on an average, in a month. Additionally, the entrepreneur has to tackle the harassment of unannounced visits of inspectors from various departments.
- Though the time limit prescribed for clearing the loan applications with the commercial banks is 4-8 weeks, in many cases it takes 12 to 24 weeks causing unnecessary delay in the project resulting in higher project costs.
- There is no prescribed time limit for the issue of licence, approval etc. This uncertainty causes considerable difficulty to the entrepreneur in planning further operation.
- Though subsidy is included in the assistance, the delay in sanction and the gap between sanction and disbursement ranges anywhere between 18 months and 24 months.
- Since State Financial Corporations deal with legal formalities after sanctioning the loan, delays in the completion of formalities before the production starts, are inevitable.
- Schemes recommended by DICs are evaluated by financial institutions on submission for assistance. The Commercial Bank re-appraises the estimated working capital, worked out by the State Financial Corporation. The new requirement expects that the entrepreneur provides higher equity than he has bargained for. Approximately 6 to 18 months are taken to complete the said
formalities resulting in extraordinary time and cost overrun which the entrepreneur can hardly afford.

8) Financial

- Commercial banks insist on collateral or guarantee instead of focussing on the viability of the proposal.

- Lack of coordination between the State Financial Organization and the Commercial Banks results in delayed sanction or undersanction of working capital requirements of the entrepreneur.

- Delayed payment of dues by the Government Departments ranging between 90 to 120 days (despite guidelines prescribed to make the payments within 60 days) affect the cash flow of the small entrepreneur. This leads to default in payment to the banks and other statutory payment. Penal rates are imposed by the bank on the entrepreneurs for defaulting on payments. This aggravates the already strained cash flow. This is a vicious circle leading to sickness. There is no legal provision to ensure timely payment of the dues to the entrepreneur by the Government Departments or other agencies.

## Problems Faced by Women Entrepreneurs: A Literature Survey

<table>
<thead>
<tr>
<th>Author and Year</th>
<th>Intrinsic</th>
<th>Socio-Cultural</th>
<th>Extrinsic</th>
<th>Working/Occasional</th>
</tr>
</thead>
<tbody>
<tr>
<td>Akhouri, M.M.F., 1987</td>
<td>- Lack of self confidence</td>
<td>- Society's lack of confidence in women entrepreneurs</td>
<td>- Availability of less time due to role duality</td>
<td>- Operating and maintaining bank accounts</td>
</tr>
<tr>
<td></td>
<td>- Poor self image</td>
<td>- Non-conducive cultural traditions and values</td>
<td>- Difficulty in establishing credibility</td>
<td>- Lack of technical skills</td>
</tr>
<tr>
<td></td>
<td>- No faith in others including family and friends</td>
<td>or to sources for support assistance in starting the business</td>
<td></td>
<td>- Lack of economic holding</td>
</tr>
<tr>
<td></td>
<td>- Ignorance about schemes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bediah, 1994</td>
<td>- Lack of business aptitude</td>
<td>- Lack of opportunity</td>
<td>- More importance to wage employment than self-employment</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Unsupportive family background</td>
<td>- Dependency culture does not provide sufficient encouragement to launch ventures</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Role duality</td>
<td>- Education system does not encourage entrepreneurial quality</td>
<td></td>
</tr>
<tr>
<td>Chakraborty, S.S., 1992</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Fear of failure and insecurity</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Less inclined towards exposure to business and industry</td>
<td></td>
</tr>
<tr>
<td>Choudhury, S.S. 1995</td>
<td></td>
<td></td>
<td>- Lack of family and peer support</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Lack of inheritance rights</td>
<td></td>
</tr>
<tr>
<td>Authors</td>
<td>Intrinsic</td>
<td>Socio-Cultural</td>
<td>Extrinsic</td>
<td></td>
</tr>
<tr>
<td>------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>-----------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Easwaran, S. 1992</td>
<td>- Low level of aspiration&lt;br&gt;- Primacy of role of ‘homemaker’&lt;br&gt;- Unwillingness to spend long hours in business</td>
<td></td>
<td>- Lack of infrastructural facilities&lt;br&gt;- Non-acceptance by customers&lt;br&gt;- Financial institutions and suppliers</td>
<td></td>
</tr>
<tr>
<td>Harwe, I. and Josef, U.</td>
<td>- Lack of self confidence&lt;br&gt;- Limited technical knowledge among members in the family</td>
<td>- Dual role&lt;br&gt;- Unwanted unhealthy interference from male&lt;br&gt;- Discontent in family</td>
<td>- Financial problems&lt;br&gt;- Difficulty in establishing a market for products&lt;br&gt;- Professional disrespect&lt;br&gt;- Lack of technical training&lt;br&gt;- Limited occupational experience</td>
<td></td>
</tr>
<tr>
<td>Iyer, P. 1993</td>
<td>- Lack of self confidence&lt;br&gt;- Fear of success</td>
<td>- Scarcity of role models</td>
<td>- Emphasis on collateral guarantee rather than viability of project&lt;br&gt;- Reluctance to service small loans</td>
<td></td>
</tr>
<tr>
<td>Iyer, I. 1991</td>
<td>- Guilt about borrowing&lt;br&gt;- Resistance to growth process&lt;br&gt;- Need to make special efforts to make colleagues and co-workers feel more at ease</td>
<td>- Business women are not viewed as business persons but as women&lt;br&gt;- Society net confident about women’s capability as entrepreneurs</td>
<td>- Finance&lt;br&gt;- Book keeping accounts&lt;br&gt;- Marketing</td>
<td></td>
</tr>
<tr>
<td>Iyari, S.S. 1992</td>
<td>- Lack of business training&lt;br&gt;- Lack of awareness of schemes&lt;br&gt;- Personal problems&lt;br&gt;- Demanding role expectations</td>
<td>- Ventures remain small because expansion of business requires access to credit</td>
<td>- Delay and inadequate financing&lt;br&gt;- Lack of data&lt;br&gt;- Lack of coordination among agencies</td>
<td></td>
</tr>
<tr>
<td>Kaplan R.S.S. and Ramade, N.P. Kumar, S. 1992</td>
<td>- Not keen on expansion for fear of loss of control&lt;br&gt;- Restricted mobility due to social customs</td>
<td></td>
<td>- -</td>
<td></td>
</tr>
<tr>
<td>Malhotra, N. 1987</td>
<td>- Lack of technical expertise&lt;br&gt;- Insufficient awareness and information regarding opportunities&lt;br&gt;- Lack of initiative, self-confidence and managerial skills</td>
<td>- Obstructive social and cultural traditions&lt;br&gt;- Inadequate representation of professional women in planning bodies</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Author</td>
<td>Year</td>
<td>Intrinsic</td>
<td>Socio-Cultural</td>
<td>Extrinsic</td>
</tr>
<tr>
<td>--------</td>
<td>------</td>
<td>-----------</td>
<td>----------------</td>
<td>-----------</td>
</tr>
<tr>
<td>Misra, S.P.</td>
<td>1991</td>
<td>Lack of business confidence</td>
<td>Gender discrimination</td>
<td>Faulty procedural formalities</td>
</tr>
<tr>
<td>Misra, M. Padaki R.</td>
<td>1994</td>
<td>Fear and unwillingness to enter into a business venture</td>
<td>Lack of acceptance</td>
<td>Unavailability of infrastructural facilities</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Role conflict</td>
<td>Marketing products</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Negative attitude of agencies/officials towards women entrepreneurs</td>
<td>Limited infrastructural facilities</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Maintaining quality of products</td>
</tr>
<tr>
<td>Patel, V.C.</td>
<td>1989</td>
<td>Lack of confidence and motivation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Piyar</td>
<td></td>
<td>Limited need for achievement</td>
<td>Lack of information</td>
<td>Difficulty in understanding purchase and marketing functions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tendency to shy away from economic independence and autonomy</td>
<td>Non-cooperation from family members</td>
<td>Administrative delays</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Business inadequacy</td>
<td>Getting loans</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Male dominated society</td>
<td>Dealing with male labourers</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Procuring orders</td>
</tr>
<tr>
<td>Ramachandran, K.</td>
<td>1992</td>
<td>Low level of motivation</td>
<td>Cultural taboos</td>
<td>Lack of information</td>
</tr>
<tr>
<td>Rani, C</td>
<td>1986</td>
<td></td>
<td></td>
<td>Lack of equity</td>
</tr>
<tr>
<td>Rao, M &amp; Devi D.S.</td>
<td></td>
<td>Sel imp restrictions, complex and fears</td>
<td>External restrictions</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lack of funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Not aware of facilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intrinsic</td>
<td>Socio-Cultural</td>
<td>Extrinsic</td>
<td>Working/Operational</td>
<td></td>
</tr>
<tr>
<td>-----------</td>
<td>---------------</td>
<td>-----------</td>
<td>---------------------</td>
<td></td>
</tr>
<tr>
<td>Saujanya R. 1992</td>
<td>- Lack of insight and awareness about the problem of women's development</td>
<td>- Non-cooperative authorities and their underhand dealings</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Marketing products in a market where non-professional traders also operate</td>
<td>- Failure of administration</td>
<td></td>
</tr>
<tr>
<td>Sethi R.M. 1992</td>
<td>- Inability of support system to train and help women entrepreneurs</td>
<td>- Low entrepreneurial effectiveness on project plan preparation, understanding and monitoring</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shah H. 1992</td>
<td>- Poor risk-taking ability</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Lack of self-motivation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Lack of knowledge</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Inadequate credit orientation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Lack of motivation from family and society</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Non-consistent traditional norms</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Conflicts due to dual responsibilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Non-cooperative attitude of family members</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Lack of recognition/appreciation in the family</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Lack of confidence in women's abilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Low economic credibility of women</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Singh K. 1992</td>
<td>- Lack of collateral security</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Technological constraints as availability of technology/machinery/equipment is often at distant places</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Difficulty in maintenance and repair of machinery</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Raw material problems pertaining to interrupted supply, delay and variation in prices at different locations and insufficient stock</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Marketing constraints and competition from larger units</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Procurement of payment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Long complicated measures to avail institutional help</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Non-cooperative attitude, bribery, lack of coordination between support agencies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Lack of opportunities to acquire business skills</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Lack of infrastructural facilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intrinsic</td>
<td>Socio-Cultural</td>
<td>Extrinsic</td>
<td>Working/g/Operational</td>
<td></td>
</tr>
<tr>
<td>----------------</td>
<td>----------------</td>
<td>-------------------------------------</td>
<td>-----------------------</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Tedium bureaucratic formalities</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Conducting market survey</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Procurement of land/Spacet</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Managing workers</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Due recovery</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Marketing</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Financial formalities</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Institutional environmenta Phot</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Delay in promoter's contribution</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Coordinating lage of concerned institutions</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Inadequate working capital</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Lax of support from banks</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Error part of promotional marketing problems</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Faulty product selection</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Technical ignorance</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Error in deciding optimum optimum plant capacity</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Wrong choice of location</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Absence of market analysis</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- False fixed investment decision</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Low equity base</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Wrong choice of machinery</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Poor project planning</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Bad management</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Errors in marketing strategy</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Low key development effort</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Defects in production planning</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Poor accounting, costing and record keeping</td>
<td></td>
</tr>
</tbody>
</table>

Vinze M.D. 1987
Fig. I: Sex Ratio in India

Fig. II: Life Expectancy
Fig. III: Infant Mortality (Rural)

Infant Mortality (Urban)
Fig. IV: Literate Population Percentage

Fig. V: Employment Position of Women Registration in Employment Exchange
Fig. VI: Sector-Wise Distribution

- Food Products: 66
- Textile & Leather: 113
- Chemical: 53
- Elect. & Electronics: 17
- Wood: 18
- Others: 62
- Plastic & Rubber: 44
- Mech. work-metal work: 33
- Service & Trading: 76
Fig. VII: Investment-Wise Distribution

- Upto 25 thousand: 23%
- 5-10 lakhs: 8%
- Above 10 lakhs: 9%
- 3-5 lakhs: 10%
- 1-3 lakhs: 21%
- 50 thousand - 1 lakh: 14%
- 25-50 thousand: 13%
Fig. VIII: Employment Generation by the Women Owned Enterprises
(Category-Wise Distribution)

CATEGORIES
Total No. of enterprises 383