

## **UNIT-4**

### **Women Entrepreneurship**

<b>S.NO</b>	<b>TOPICS</b>
<b>1</b>	Women Entrepreneurship - Entrepreneurship Development and Government
<b>2</b>	Role of Central Government and State Government in promoting women Entrepreneurship
<b>3</b>	Introduction to various incentives, subsidies and grants
<b>4</b>	Export- oriented Units - Fiscal and Tax concessions available
<b>5</b>	Women entrepreneurship - Role and importance
<b>6</b>	Growth of women entrepreneurship in India
<b>7</b>	Issues & Challenges
<b>8</b>	Entrepreneurial motivations

**Learning Outcomes: At the end of the Unit, the learners will be able to**

- Understand the role of government in promoting women entrepreneurship
- Know various incentives, subsidies and grants available to women entrepreneurs
- Analyze the role of export-oriented units
- Know about the tax concessions available for Women entrepreneurs
- Prepare to face the issues and challenges.

## **Definition:**

According to **Schumpeter's** concept, "Women who innovate, imitate or adopt a business activity are known as women entrepreneurs".

**Government of India** based on women participation in equity and employment of business enterprise has defined women entrepreneurs as "An enterprise owned and controlled by a women having a minimum financial interest of 51% of the capital and giving at least 51% of the employment generated in the enterprise to women."

According to **Kamal Singh**, "A women entrepreneur can be defined as a confident, innovative and creative women capable of achieving self-economic independence individually or in collaboration, generates employment opportunities for others through initiating, establishing and running the enterprise by keeping pace with her personal, family and social life."

According to **Ruhani J. Alice**, "Women entrepreneurship is based on women participation in equity and employment of a business enterprise."

Thus, women entrepreneurs are those who think of business enterprise, initiate it, organize and combine the factors of production, operate the enterprise, undertake risks and handle economic uncertainty by having a controlling interest in that particular enterprise.

## **Women Entrepreneurs – Characteristics of Women Entrepreneurs in Business:**

All Women entrepreneurs who have achieved noteworthy success have developed the below characteristics for a very simple reason these characteristics are among those that are absolutely critical for long-term success and business growth –

- 1. Courage** is the first characteristic. It takes courage to start your own business. While everyone may have opportunities, it is only those who are brave enough to capitalize on those opportunities that are able to profit from them. Being an entrepreneur offers no guarantee of success, and therefore it requires a certain degree of courage.
- 2. Vision** is another necessary quality of a successful woman entrepreneur. Entrepreneurs are visionary thinkers. They look outside the box. They perceive the world in terms of what isn't rather than what is.
- 3. Passion** is a characteristic that is found in just about every woman entrepreneur's tool box. The beginning stages of business development and ownership can often be tedious, involving many long hours and some sleepless nights. When business ownership is motivated and backed by passion and a real strong burning desire; then the entrepreneur does not perceive obstacles as problems but rather as opportunities.
- 4. Persistence** is probably the most important characteristics of all. Many people never stick with any one thing long enough to see any results. Persistence is something displayed by all those who achieve great things and this is a quality that we all can develop over time.  
It is also about maintaining that discipline that comes with persistence through the least fun parts of running a business.
- 5. Balance** is important for ensuring that you do not take any characteristic too far. There's a point at which attention to detail can become obsession or calm can become unemotional response.

As a woman entrepreneur, you must be able to balance these characteristics, obtain the most from them without going over the edge. Just as an entrepreneur does not have a boss to keep her at work when necessary, she-doesn't have one to send her home when she is done. If you working for yourself, you have to decide how to balance your work and home life.

### **Women Entrepreneurs – Essentials:**

1. They should be educated and skillful.
2. Must have professional education to become better entrepreneur.
3. She should be capable enough to do innovations and be able to bear risks and uncertainties.
4. Able to make utilization of various schemes, and aids given by government.
5. She should be capable enough to face male competitors and should possess guts to move ahead.
6. She should be capable enough to make autonomous investment.
7. She must possess some ethics and egoism.

### **Women Entrepreneurs – Factors Influencing: Motivational and Facilitating Factors:**

Women set up an enterprise due to economic and non-economic reasons as well.

#### **Various important reasons can be due to:**

1. Motivational factors, and
2. Facilitating factors.

#### ***1. Motivational Factors:***

- ✓ Economic necessity.
- ✓ Economic independence.
- ✓ Self-actualization.
- ✓ Establishing their own creativity.
- ✓ Establishing their own identity.
- ✓ Equal status in society.
- ✓ Achievement excellence.
- ✓ Education and qualification.
- ✓ Building self-confidence.
- ✓ Developing risk-taking ability.
- ✓ Employment generation.
- ✓ Family occupation.
- ✓ Greater freedom and mobility.
- ✓ Government policies and programmes.
- ✓ Role model to others.

#### ***2. Facilitating Factors:***

- ✓ Adequate financial facilities.
- ✓ Innovative thinking.
- ✓ Self-satisfaction.
- ✓ Co-operation of family.
- ✓ Network of contacts.
- ✓ Experienced and skilled people at work.
- ✓ Support of family members.

## **Women Entrepreneurs – Qualities of Women Entrepreneurs:**

### **1. Positive Attitude:**

There's no energy that can mimic what's released when a positive, high-stepping woman enters a room. A positive attitude is the fuel needed to drive us from idea conception to realization.

A positive attitude takes conscious effort on your part. Arrest negative thoughts and replace them with positive ones. Listen to the things you're saying to yourself in your mind. Deliberately use words that focus on constructive, affirming truths about you. To help you stay positive, surround yourself with people who'll encourage, inspire and believe in you. If you have a positive attitude, you'll be able to see the potential that lies within you.

### **2. Vision:**

The female entrepreneur is a big-picture person. She can see her successful business, what it looks like with all of its components. She can see her product on the shelves, her services in action. She is not only afraid to dream big, but views her daydreams as achievable.

### **3. Autonomy:**

This woman likes to be in control and isn't afraid to make decisions by herself. She is comfortable with being alone and has confidence in her intelligence. She is a take-charge person. This woman doesn't wait for someone else to act and doesn't second guess her choices.

### **4. Intuitive:**

The woman entrepreneur trusts her instincts about her product or service, the market and her business management skills. She uses her instinct as well as her research and her knowledge to guide her business decisions. She knows that her instincts will be what sets her apart from her competitors and will ultimately lead to her success.

### **5. Distinctive:**

People remember this woman. She is distinctive. Her product or service is distinctive and her company is a stand-alone. There is nothing ordinary here.

### **6. Planner:**

This woman not only devises and puts down on paper her business plan, she follows it. She doesn't lose sight of her goals or methods for reaching her goals. When she reaches a fork in the road, she might explore the alternate route and add it to her business plan. However, she never forgets her vision. Her business plan is the written version of the vision she sees in her mind.

### **7. Risk-Taker:**

Starting a business isn't the first time this woman has thrown the dice. She isn't afraid to bet everything on herself. She has been known to jump before.

### **8. Drive:**

Failure is not an option for the committed entrepreneur. Bumps in the road will not set her back, but will steel her resolve. She is on a mission and knows she will get to her goal.

## **Leadership Qualities: Some of the outstanding leadership qualities of women entrepreneurs are:**

- |                                 |                             |
|---------------------------------|-----------------------------|
| i. Accept challenges            | xi. Patience                |
| ii. Adventurous                 | xii. Experienced            |
| iii. Ambitious                  | xiii. Industrious           |
| iv. Conscious                   | xiv. Intelligent            |
| v. Drive                        | xv. Motivator               |
| vi. Educated                    | xvi. Skillful               |
| vii. Enthusiastic               | xvii. Perseverance          |
| viii. Determination to the end  | xviii. Studious             |
| ix. Hard work                   | xix. Unquenchable optimism. |
| x. Keenness to learn and imbibe |                             |

## **Women Entrepreneurs – Functions:**

- Generating New business ideas
- Exploring the prospects of starting new enterprises
- Undertaking risks and handling of economic uncertainty
- Employment generation
- Introducing new ideas of innovation
- Support to family's income
- Overall economic growth
- Balanced regional development

## **Opportunities for Women Entrepreneurs:**



### **(i) Opportunities Based on Business**

Women entrepreneurs are bestowed with numerous business opportunities depending upon their area, choice of industry, capacity to invest, technical and non-technical skills etc., When a woman decides to become an entrepreneur she has extensive opportunities to tap into. The following are the opportunities unfolding in different spheres of commerce.

- i. In the sphere of manufacturing women can start ventures like Agarbathi manufacturing, papad making, bedspread making, embroidery, export of handicrafts, apparel manufacturing, sweet stalls, manufacturing soft drinks, pickle making, manufacturing garments, handicrafts, printing press etc.
- ii. In the sphere of service industries, women entrepreneurs may try their hand in ventures like catering service, computer centres, tutorial centres, Typewriting institutes, beauty parlours, dry cleaning, small restaurants, tailoring, crèche, florist shops, event management etc.,

iii. In the realm of trading ventures, women can enter the ventures like fancy stores, diagnostic centres, milk distribution, sweet stalls, drug stores, grocery stores, textile retailing, cool drinks parlour, coffee parlour, cell phone repairs, photo studios, photocopier firms, working women's hostel etc.,

iv. Highly educated, experienced and broadly exposed women technocrats can start larger venture like running hospitals, coaching centres, diagnostic laboratories, manufacturing activities, suited to their field of specialisation, advertisement and media firms, call centres, hotels etc.,

### **(ii) Financial Opportunities**

All Banks in India provide financial support to the women Entrepreneur, in the form of micro small loans to buy Raw Materials and Equipments.

### **(iii) Non-Financial support**

Women entrepreneurs are provided with the following non-financial support in the form of:

- ❖ Putting in Policies, regulations and legal structures suitable to women entrepreneurs
- ❖ Financial counseling and training
- ❖ Business advisory service
- ❖ Handling legal barriers
- ❖ Establishing Commercial linkages
- ❖ Client research
- ❖ Profitability and Efficiency analysis
- ❖ Offering and designing the products based on their needs
- ❖ Lower rate of interest
- ❖ Collateral free loans
- ❖ Simplified processing system
- ❖ Flexible repayment system based on business nature

### **(iv) Opportunities Created by Associations**

There are various associations like Self Help Groups (SHG), Federation of Indian Women Entrepreneurs (FIWE), Women's India Trust (WIT), Small Industries Development organisation (SIDO), National Bank for Agriculture and Rural Development (NABARD), Self Employed Women's Association (SEWA), Association of Women Entrepreneurs of Karnataka (AWAKE), The International Centre for Entrepreneurship and Career Development, TiEStree Shakti (TSS), Tamilnadu Corporation for Development of Women Ltd. (TNCDW), Marketing Organisation of Women Enterprises (MOOWES), Women Entrepreneurs Promotion Association (WEPA), Women Entrepreneurs Association of Tamil Nadu (WEAT) and WeoW by Google are aggressively promoting women entrepreneurship in India.

Similarly, MSE cluster development programme bear a substantial portion of the project cost in respect of ventures owned and managed by women entrepreneurs. The percentage of guarantee given by Credit Guarantee Fund Scheme for Micro and Small Enterprises extend upto 80% for MSEs owned and operated by women.

### **(v) Opportunities Created by Government**

Government both Union and Central have put in a number of schemes exclusively for promotion of women entrepreneurship namely:

- Stand-Up India Scheme for Women Entrepreneurs
- Trade related Entrepreneurship Assistance and Development (TREAD) Scheme for Women
- Mahila Coir Yojana

- Mahila E-haat
- Magalir Udavi Scheme
- Prime Minister's Rozgar Yojana (PMRY)
- Development of Women and Children in Rural India (DWCRA)
- Mudra Yojana Scheme for Women
- Udyogini Scheme
- TRYCEM

#### **(vi) Opportunities Created through Training Programme**

Government of India has introduced National Skill Development Policy and National Skill Development Mission in 2009 in order to provide skill training, vocational education and entrepreneurship development to the emerging work force. This has been catalysing the emergence of women entrepreneurs in India. The following training schemes are being implemented for promoting self employment of women by Government of India.

1. Support for Training and Employment Programme of Women (STEP)
2. Development of Women and Children in Rural Areas (DWCRA)
3. Small Industry Service Institutes
4. State Financial Corporations
5. National Small Industries Corporations
6. District Industrial Centres

#### **(vii) Consortium of Women Entrepreneurs of India (CWEI)**

Consortium of Women Entrepreneurs of India (CWEI) was registered as a civil society in the year 1996 which is a non-profit organisation in New Delhi. It is accredited by Government of India. It is a member of National Board, Ministry of MSME and is working closely with Ministry of Rural Development in the Public Private Partnership to support below poverty line families in India. They are rendering the following functions:

- i. They are acting as a springboard for enterprises started by the women.
  - ii. It is helping women achieve high economic empowerment.
  - iii. It is acting as a catalyst to improve the access of womenfolk to natural resources.
  - iv. It is providing technological support in the sphere of product design and development in the case of women owned enterprises.
  - v. It is providing quality control, marketing and technological supports to women owned enterprises.
  - vi. It is spreading knowledge to women entrepreneurs about various government schemes.
- In sum, it can be stated that women consortium is an agency providing a comprehensive service of various types to women owned enterprises.

### **Challenges of Women Entrepreneurs:**

Though there is a tremendous growth in the women entrepreneurship in India, a number of research studies conducted in India have brought out the following problems and challenges encountered by women entrepreneurs during the course of their entrepreneurial journey.

#### **1. Problem of Finance**

The access of women to external sources of funds is limited as they do not generally own properties in their own name. Financial institutions too do not consider women in general creditworthy as they are sceptical of their entrepreneurial capabilities of women. They impose stringent condition which discourages women to avail themselves of loan assistance from banks.



In this context, they are pushed to rely on their own savings and small loans from friends and relatives. Because of the limited funds, women entrepreneurs are not able to effectively and efficiently run and expand their business.

## **2. Limited Mobility**

Indian women cannot afford to shed their household responsibilities towards their family even after they plunge into the venture started by them. This restricts the mobility of women entrepreneur significantly. The domestic responsibilities do not allow women entrepreneurs to freely move out of business enterprises in connection with business activities.

## **3. Lack of Education**

Illiterate and semi -literate women entrepreneurs encounter a lot of challenges in their entrepreneurial journey with respect to maintaining accounts, understanding money matters, day-to-day operations of the company, marketing the products, applying technology etc., This reduces the efficiency of operating the business successfully.

## **4. Lack of Network Support**

The successful operation of any venture irrespective of the size depends upon the network of support extended by various constituencies like family members, friends, relatives, acquaintances, neighbours, institutions and so on. Women entrepreneurs need much needed psychological support and wiser counselling especially during the time they actually encounter challenges. But it is reported that women entrepreneurs get very limited support in times of crisis from most of these constituencies.

## **5. Stiff Competition**

Women entrepreneurs have to face acute competition for their goods from organised sector and from their male counterparts. Since they are not able to spend liberally due to financial constraints, they are not able to compete effectively and efficiently in the market.

## **6. Sensitivity**

Women are more prone to a variety of emotions. Being mother, women are vulnerable to many emotions. They tend to have sympathy and empathy for others. This trait does not allow women entrepreneurs to take objective decisions in many contexts during the course of running the entrepreneurial venture. Besides, the weak emotions do not allow them to tolerate failures and disappointments arising during the normal course of their entrepreneurial journey. This inherently tone downs the effectiveness of their functioning.

## **7. Lack of Information**

Women entrepreneurs are reported not to be generally aware of subsidies and incentives available for them due to their poor literacy levels or due to their pre occupation with household responsibilities. This lack of knowledge or limited knowledge about subsidies prevents them from availing themselves of special concessions, benefits and incentives awarded by Government and other agencies.

## **8. Dependent culture**

In India, women however educated and talented are groomed to be dependent on their parents, life partners and children during the various phases of their life cycle. They could not take decisions on their own in many contexts due to this dependency factor. They have to take permission from their support groups to engage in any purposeful and gainful activity. They are not treated as equals unlike women in western countries. This cultural barrier does not allow them to start and manage their ventures according to their free will and pleasure.

**9. Family Considerations:** In many cultures, women are more likely to shoulder a greater share of child-rearing duties. Children may demand their mothers' undivided attention, which can be a challenge for female entrepreneurs to deal with. Building and running a new business requires a great deal of time, which may conflict with one's family obligations. Women in this situation must balance their family life with their duties as entrepreneurs. For example, parents can communicate about the need to devote some time during the day solely on business, while other times can be devoted to family matters.



## **Women Entrepreneurs – Promotion of Women Entrepreneurs (With Steps):**

**The following steps to be taken to promote women entrepreneurs:**

1. Women promotional organizations should establish specific strategies to promote women entrepreneurship. Those strategies should include counseling, mentoring, training and the development of new policies.
2. The Government should establish an infrastructure and programs that support women entrepreneurship.
3. The training institutions should launch a need based training program. They should include more topics on global environment challenges and offer more practical programs on marketing and financial management.
4. The programs in marketing management should be based on case studies and innovative skill development programs should be offered.
5. There should be special training cell for women entrepreneurs.
6. There is also a need for opening more training institutions catering to the needs of vast number of untrained women entrepreneurs.
7. The promotional and regulatory agencies should be motivated to be considerate, understanding and helpful towards women entrepreneurs.
8. Motivate new women entrepreneurs into this field through audio visual media.
9. Simplify the procedure of licensing and government regulations to start a new business enterprise
10. Banks and other financial institutions must provide credit to women entrepreneurs on both priority and concessional terms.
11. Women should be motivated to come out of their traditional occupation for accepting more challenging and economic activities.
12. Workshops and seminars should be organized frequently for the officials of financial and supporting agencies and for women entrepreneurs to make their relations more cordial.

Women are entering into entrepreneurship even in the face of socio-cultural, economic, technical, financial and managerial difficulties. Women entrepreneurship movement can gain momentum by providing encouragement, appropriate awareness, training, environment and support. This would definitely enhance their socio-economic status, a prerequisite for women's empowerment

**Industries promoted by women entrepreneurs are given below:**

1. Agarbati manufacturing
2. Papad making
3. Embroidery
4. Handicrafts
5. Catering service
6. Running schools and tutorials
7. Beauty parlors
8. Working women hostels

9. Telephone booths
10. Photographic studios
11. Women hostel
12. Travel agencies.

To summarize, an integrated approach is necessary for making the movement of women entrepreneurship a success. In order to ensure that the development of women entrepreneur takes place as fast as possible, there is a need to set up apex bodies at all levels as to ensure fair gender economic life.

### **Women Entrepreneurship – Various Schemes Introduced by Government for Empowerment of Women:**

Once the government on its part realized the need for empowerment of women, it started coming out with a number of schemes, to provide for greater access to capital, so that they could startup units. Some institutions like National Alliance of Young Entrepreneurs (NAYE) assess women in starting-up, identifying good investment opportunities and raising capital more easily. Commercial banks also have women entrepreneur sections, where financial assistance is provided.

In fact, **schemes under the IDBI bank** called ‘**Mahila Udhya Nidhi**’ and ‘**Mahila Vikas Nidhi**’ help women entrepreneurs with equity assistance. Established in the early 1990s, ‘**Ashriya Mahila Kosh**’ trains and provides orientation programmes for women. With their help, women have been able to triple their income.

The Norwegian Agency for International Development was established in 1983 to help educated men and women to start-up businesses in electronics, computers, manufacturing, printing, readymade garments, etc. a scheme started by the **National Bank for Agricultural and Rural Development (NABARD)** provides loans to women to participate in agriculture. The **Development of Women and Children in Rural Areas (DWCRA)** was launched in 1980s by the rural development to support women’s income generation activities. They provided economic assistance to develop skills and meet their liabilities.

The government of Tamil Nadu established the **Tamil Nadu Co-operation for Development of Women Limited** for the development and empowerment of women. It is a nodal agency for implementing various projects. A number of organizations today have started playing critical roles in empowering women and developing women entrepreneurs.

This includes **FICCI’s Ladies Organization (FLO’s)**, **NAYE**, etc. There are also organizations such as **Association of Women Entrepreneurs of Karnataka (AWEK)**, **Women Association of Maharashtra (WEMA)**, **Self- employed Women’s Institution (SEWA)**, Ahmedabad, etc. **The Indian Council of Women Entrepreneurs (ICWE)** is also trying to promote entrepreneurship among women.

**SEWA** has its own bank which provides loans to women (like vegetable vendors, flower vendors, etc.) from rural areas. Tamil Nadu and Andhra Pradesh governments have promoted industrial estates especially among women entrepreneurs. In fact, **the Association of Lady Entrepreneurs in Andhra Pradesh (ALEAP)** is an organization that promotes entrepreneurship in both rural and urban areas. On the outskirts of Chennai, a biotechnology park was set up to promote women entrepreneurs in the Siruseri area along the IT highway.

## **Women Entrepreneurship – Development Schemes: TREAD, MSE – CDP, Credit Guarantee Fund Scheme for Micro and Small Enterprises and a Few Others:**

According to the Third All India Census of Small Scale Industries conducted in 2001-02 and subsequent estimates made, only 10.11% of the Micro and Small Enterprises in India are owned by women while 9.46% of the MSE enterprises are managed by women. Currently (2006-07) their estimated number is 12.99 lakh women managed enterprise and 12.15 lakh women managed enterprise.

In order to encourage more and more women enterprises in the MSE sector, several schemes have been formulated by this Ministry and some more are in the process of being finalized, targeted only at the development of women enterprises in India.

### **1. Trade Related Entrepreneurship Assistance and Development Scheme for Women (TREAD):**

With a view to encourage women in setting up their own ventures, government implements a Scheme, namely, Trade Related Entrepreneurship Assistance and Development (TREAD) during the 11th Plan. The scheme envisages economic empowerment of women through the development of their entrepreneurial skills in non-farm activities.

#### **There are three major components of the scheme:**

- Gol grant upto 30% of the total project cost to the Non-Government Organisations (NGOs) for promoting entrepreneurship among women. The remaining 70% of the project cost is financed by the lending agency as loan for undertaking activities as envisaged in the project.
- Gol grant upto Rs.1 lakh per programme to training institutions/NGOs for imparting training to the women entrepreneurs, subject to these institutions/NGOs bring their share to the extent of minimum 25% of GOI grant and 10% in case of NER.
- Need-based Gol grants upto Rs.5 lakh to National Entrepreneurship Development Institutions and any other institutions of repute for undertaking field surveys research studies, evaluation studies, designing of training modules etc.

Field Institutes of SIDO conduct need based programmes for existing and prospective entrepreneurs. During 2006-07 (up to December, 2006), 10050 women participated in various training programmes like Entrepreneurship Development Programme (EDP), Management Development Programme (MDP), Skill Development Programme (SDP) and Industrial Motivational Campaign (IMC).

Autonomous Bodies under this Ministry also conduct various short-term/long-term training programmes in footwear technology, tool and dye making and other allied industries. These institutes provided training to 20280 women.

#### **Women Empowered under Integrated Infrastructural Development Scheme:**

Association of Lady Entrepreneurs of Andhra Pradesh (ALEAP), an NGO comprising women members only, has successfully completed the implementation of an IID project at village Gajularamaram, Distt. Rangareddy, A. P. In this, 75 units have been established and employment generated by these units is 1500 women. Out of the total project cost of Rs.347 lakh, Govt. of India provided grant to the tune of Rs.1.39 lakh. Another IID project at Vijyawada, Distt. Krishna, A. P. is being implemented by ALEAP. The total project cost is Rs.370 lakh and Government of India grant of Rs.91.38 lakh has been released for this project. 10 units have been established in this Centre so far and 100 women have been benefited from this project upto the end of December, 2006.

**Operationalisation of the Scheme:**

The scheme envisages that Women Associations/NGOs/SHGs should prepare composite bankable proposals for a group of women entrepreneurs, and submit to the office of the DC (MSME) for forwarding to the Banks for their appraisal. Bank examines the proposal and issues approval. 30% of the loan amount is sanctioned as grant and made available to the bank by office of DC (MSME) for further disbursement to NGOs. Another IID project at Vinjyawada, Distt. Krishna, A. P. is being implemented by ALEAP. The total project cost is Rs.370 lakh and Government to India grant of Rs.91.38 lakh has been released for this project. 10 units have been established in this Centre so far and 100 women have been benefited from this project upto the end of December, 2006.

**2. Micro & Small Enterprises Cluster Development Programme (MSE- CDP):****i. Existing Clusters:**

A cluster is defined as a group of enterprises, ideally having 100 members, producing same/similar products/services. While 100 members could be the minimum per cluster, depending on the density of population and other factors, even 200-300 could be a good target group for undertaking Diagnostic Study and the subsequent Soft Interventions in a cluster.

However, in difficult and backward regions the target numbers could come down to 50 or less but it should not be too small as a lot of Government expenditure is made per cluster. The Cluster Development Programme (CDP) being implemented envisages diagnostic study of identified clusters of traditional skill-based MSEs to identify appropriate technologies and their providers and to facilitate adoption of available technology meeting the specific needs of the end users.

The Cluster Development aims at enhanced competitiveness, technology improvement, adoption of best manufacturing practices, marketing of products, employment generation etc. The scheme provides assistance for capacity building, common facilities, marketing etc., and the delivery, assimilation and diffusion of the identified technology from its producers to the recipient user/cluster of small enterprises.

**ii. Creation of Physical Infrastructure:**

Ministry implemented the IID Scheme to provide developed sites with infrastructural facilities like power distribution network, water, telecommunications, drainage and pollution control facilities, roads, exhibition/display centres, raw materials, storage and marketing outlets, common service facilities and technological back-up services, etc. This scheme has been subsumed in the MSME Cluster Development Programme. All the features of IID Scheme have been retained.

To create physical infrastructure exclusively for women enterprises central grant of 40% of the project cost subject to a maximum of Rs.2 crore is available. The Ministry of MSME is making efforts to enhance the quantum of grant to 80% in a project of Rs.10 crore.

**Operationalisation of the Scheme:**

(i) A Cluster Development Executive (CDE) is required for executing and monitoring all soft interventions in a cluster. Normally, a CDE can be a DIC Officer/MSME-DI officer/retired expert or even hired person from Non-Government Sector.

(ii) The hard interventions in a cluster and creation of physical infrastructure require setting up a user's body/special purpose vehicle which could be society/trust/company to be formed by the cluster beneficiaries.

### **3. Credit Guarantee Fund Scheme for Micro and Small Enterprises:**

The Scheme was launched in August 2000 to ensure better flow of credit to micro and small enterprises by minimizing the risk perception of financial institutions and banks in lending without collateral security. Under the scheme, guarantee cover is provided to collateral free credit facility extended by member lending institutions (MLIs) to the new as well as existing micro and small enterprises on loans up to Rs.50 lakh. The guarantee cover available is up to 75% of the loans extended.

The extent of guarantee cover is 80% for – (i) micro enterprises for loans up to Rs.5 lakh; (ii) MSEs operated and/or owned by women; and (iii) all loans in the North-East Region. The lending institutions availing guarantee from the Trust have to pay one time guarantee fee of 1.5% and service charges of 0.75% per annum of the credit facility sanctioned. For loans up to Rs.5 lakh, the onetime guarantee fee is 1% and service charges are 0.5% per annum of the credit facility sanctioned.

### **4. Support for Entrepreneurial and Managerial Development:**

MSME-DIs regularly organize a number of Entrepreneurship Skill Development Programme (ESDPs)/Entrepreneurship Development Programme (EDPs)/Management Development Programmes (MDPs) to train the potential entrepreneurs in improving their techno/managerial knowledge and skill with a view to facilitating them to start MSEs in various fields.

Many of the programmes are tailor made for the target group for SC, ST, OBC, Women, Minorities and other weaker sections and exclusively for women also.

These programmes are also called “Out-reach Programmes” as they are conducted in rural/less developed areas.

22.5% of total target of ESDPs/EDPs are conducted exclusively for SC, ST, Women and Physically Challenged persons with a stipend of Rs.500/- per month per candidate under the Promotional Packages for MSEs. No fees is charged from SC/ST, women and Physically Handicapped. No fee is charged from SC and ST and 50% fee from Women and PH candidates who attend the ESDP/EDP/MDP courses conducted for general candidates.

### **5. Exhibitions for Women under Promotional Package for Micro & Small Enterprises Approved by CCEA under Marketing Support:**

DC (MSME) has formulated a scheme for women entrepreneurs to encourage Small & Micro manufacturing units owned by women and register in DI/DIC in their efforts at tapping and developing overseas markets, to increase participation of representatives of small/micro manufacturing enterprises under MSME stall at International Trade Fairs/Exhibitions, to enhance export from such units. Under this scheme, participation of women entrepreneurs in 25 international exhibitions is envisaged during the 11th Plan (2007-2012).

**With a view to encourage women entrepreneurs to participate in the International Exhibitions under MDA scheme it has been decided to:**

- (i) Provide rent free space (6/9 Sq. Mts.) in the exhibitions.
- (ii) Reimburse 100% economy class air fare for one representative.

Considering the contribution of women entrepreneurs in building the start-up ecosystem, the Indian government is enabling them with various schemes and incentives. In the 2015 Female Entrepreneurship Index reported by The Global Entrepreneurship and Development Institute (GEDI), India ranks poorly in terms of the women entrepreneurship ecosystem and women entrepreneurship aspirations. The report ranks India very poorly in terms of availability of external financing for women entrepreneurs, especially women's access to bank account

for business purposes and women's access to bank loans. Boosting women entrepreneurship is a key mandate in the 2015 National Policy for Skill Development and Entrepreneurship and there are already various schemes for providing bank loan for women Entrepreneurs available with the Banks.

### **Government Loan Schemes/incentives/grants for Women Entrepreneur:**

Below we have provided a list of startup business loans for womens entrepreneurs:

1. Mudra Loan for Women
2. Annapurna Scheme
3. Stree Shakti Yojana
4. Dena Shakti Scheme
5. Bhartiya Mahila Bank Business Loan
6. Mahila Udyam Nidhi Yojana
7. Orient Mahila Vikas Yojana Scheme
8. Cent Kalyani Scheme
9. Udyogini Scheme

#### **1.Mudra Loan for Women**

Mudra Loan for Women was launched by the government to offer financial support for enthusiastic women entrepreneurs. They seek a business plan like starting a beauty parlour, tuition centre, a stitching shop, etc. This scheme does not require any collateral to grant the loan. However, there are categories under which a mudra loan application can be applied. They are as follows:

- **Shishu Loan:** For businesses in the initial stage, the maximum loan amount granted is Rs. 50,000.
- **Kishor Loan:** This loan is for businesses that are already established but wish to improve services. The amount of loan granted varies from Rs. 50,000 to Rs. 5 Lakhs.
- **Tarun Loan:** This loan is for the well-established businesses planning to expand their reach and is short on capital; they can avail as much as Rs. 10 Lakhs for the purpose.

#### **2. Annapurna Scheme**

Under the Annapurna Yojana, the Government of India offers women entrepreneurs in food catering businesses loans up to ₹50,000. The borrowed amount could be used for working capital requirements such as buying utensils, mixer cum grinder, hot case, tiffin boxes, working table, etc. After the loan is approved, the lender doesn't have to pay the EMI for the first month. Once sanctioned, the amount has to be repaid in 36 monthly installments. The interest rate charged is determined based on the market rate and the concerned bank.

#### **3. Stree Shakti Yojana**

The Stree Shakti package is a unique scheme that supports entrepreneurship among women by providing certain concessions. This Stree Shakti scheme is eligible for women who have the majority of ownership in the business. Another requirement is that these women entrepreneurs be enrolled under the Entrepreneurship Development Programme (EDP) organized by their respective state agency. This Stree Shakti scheme allows women to avail of an interest concession of 0.05 percent on loans more than 2 lakh.

#### 4. Dena Shakti Scheme

The Dena Shakti Scheme provides loans up to ₹20 lakh for women entrepreneurs in agriculture, manufacturing, micro-credit, retail stores, or small enterprises. The scheme also provides a concession of 0.25 percent on the rate of interest. Women entrepreneurs can avail of a loan of up to ₹50,000 under the microcredit category.

#### 5. Bhartiya Mahila Bank Business Loan

Implemented by The Bhartiya Mahila Bank (BMB), this is a public sector banking company that offers women entrepreneurs loans up to ₹20 Crores for working capital requirements, business expansion, or manufacturing enterprises. Some of the different plans under the Bharatiya Mahila Bank Business Loan scheme includes:

- **Shringaar:** The BMB Shringaar loan applies to self-employed women or homemakers planning a startup or meets their daily business expenses. The loan doesn't require you to provide any collateral security.
- **Parvarish:** Similarly, the BMB Parvarish loan is for self-employed women or homemakers to set up day-care creches. The upper limit of this loan can be ₹1 Crore without any collateral security under the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGSTSM) scheme.
- **Annapurna:** Between 18 to 60 years, food entrepreneurs wanting to start or expand their small businesses can avail of this loan. Its features are similar to that of the State Bank of Mysore's Annapurna scheme, minus that it does not require collateral security.

#### 6. Mahila Udyam Nidhi Yojana

The Mahila Udyam Nidhi Scheme is offered by Punjab National Bank and Small Industries Development Bank of India (SIDBI). The scheme supports women entrepreneurs to set up a new small-scale venture by extending loans up to ₹10 lakh to be repaid in 10 years. The rate of interest charged depends upon the market rates.

#### 7. Orient Mahila Vikas Yojana Scheme

Oriental Bank of Commerce launched the scheme, women with an ownership of 51 percent share capital individually or jointly in a proprietary concern can avail a loan through the Orient Mahila Vikas Yojana. There is collateral required for loans between ₹10 lakhs to ₹25 lakhs. The repayment tenure of the loan is seven years. Orient Mahila Vikas Yojana Scheme also provides a concession on the interest rate of up to 2 percent.

#### 8. Cent Kalyani Scheme

The Cent Kalyani Yojana can be availed by both existing and new entrepreneurs and self-employed women. Micro/small enterprises like farming, agriculture, cottage industries, and retail trade are all eligible to apply for the Cent Kalyani Scheme. You do not have to provide any collateral as security or need any guarantors for this loan. The interest rate on loans depends on market rates. The repayment tenure of the loan will be a maximum of seven years.

#### 9. Udyogini Scheme

The Women Development Corporation has implemented the Udyogini Scheme under the Government of India. This scheme promotes and motivates women's entrepreneurship among the poor by providing financial support to women. This scheme majorly supports and helps illiterate women living in rural and backward areas.



## 10. Mahila Coir Yojana

The **Mahila Coir Yojana Subsidy Scheme** was promoted to provide self-employment to rural women artisans in regions producing coir fibre. Conversion of coir fibre into yarn on motorized ratts in rural households provides scope for large scale employment, improvement in productivity and quality, better working conditions and higher income. The scheme envisages distribution of motorized ratts/ motorized traditional ratts for spinning coir yarn to women artisans. As per the scheme, the Coir Board will provide 75% of the cost of the motorized ratt as one-time subsidy provided the other 25% is raised by the beneficiary through voluntary organizations/ financial institutions/ own sources. Not more than one artisan per household would be eligible to receive assistance under the scheme.

## 11. TREAD Subsidy Scheme for Women

Trade-Related Entrepreneurship Assistance and Development (**TREAD**) Scheme for Women is a subsidy in India provided by the Ministry of Micro, Small & Medium Enterprises. The government provides a subsidy of up to 30% of the total project cost as appraised by lending institutions which would finance the remaining 70% as loan Assistance to applicant women. Women eligible under this scheme are who have no easy access to credit from banks due to their cumbersome procedures and the inability of poor & usually illiterate/semi-literate women to provide adequate security demanded by banks in the form of collaterals. Further, the NGO must raise the request for subsidy under this scheme for a number of individual or group(s) women.

### **Schemes By Nationalized Banks:**

Following are some of the bank loan schemes available for women entrepreneur for a capital generation:

- **Annapurna Scheme**

For women desiring to establish food catering services, State Bank of Mysore offers bank loans up to Rs. 50,000. The loan has to be repaid by way of EMI for thirty – six (36) months and the EMI for the first month is waived. Further details can be obtained at the relevant bank branch but one can refer to <https://business.mapsofindia.com/banks-in-india/state-bank-of-mysore.html>

- **Stree Shakti Package Scheme**

It is a scheme offered by State Bank of India to women entrepreneurs who have fifty per cent (50%) ownership in the business. The interest rates are as low as 0.5% for loans exceeding Rs. Two(2) Lakhs. Also, no security is needed for loans up to Rs. Five(5) Lacs for tiny sector units.

The abovementioned information can be accessed at <https://www.sbi.co.in/portal/web/home/stree-shakti-package>

- **Akshay Mahila Arthik Sahay Yojana**

Bank of Baroda offers this scheme to women entrepreneurs involved in agriculture, retail and cottage industry. No collateral security is required for raising a loan under this scheme.

Information in regards to this scheme can be obtained at the branch of the bank.

- **Stand-up India Scheme**

After the launch of the Start-up India Action Plan in 2016, this scheme was launched to support entrepreneurship amongst women and SC/ST communities for setting up a business in manufacturing or trading or services sector. It expedites the process of granting loans by the banks ranging from Rs. Ten (10) Lakhs to Rs. One (1) Crore to the eligible borrower. The borrower must also be 51% stakeholder in the private business or organization.

Information pertaining to this scheme can be accessed at <https://www.standupmitra.in/Home/SUISchemes>

- **Udyogini Scheme**

Punjab and Sind Bank offers this scheme to women between the ages of 18–45 years. Low-interest rate loans are provided up to Rs. One (1) Lakh provided the family income of the women is Rs. Forty-Five (45) thousand or less.

More information is available on <https://www.psbindia.com/content/udyogini>

- **Cent Kalyani Scheme**

Under this scheme loans up to Rs. 100(hundred) Lakhs are offered. No collateral security of guarantor is required for the disbursement of the loan. The scheme is offered by Central Bank of India.

At interest rates as low as 0.50% .with some additional concession available on certain conditions.

Further information can be obtained from [https://www.centralbankofindia.co.in/English/Cent\\_Kalyani.aspx](https://www.centralbankofindia.co.in/English/Cent_Kalyani.aspx)

- **Mudra Yojana Scheme for Women**

This scheme provides loans to women desirous of opening a small enterprise like a crèche, tailoring unit, beauty salon or coaching centre or a similar enterprise. The scheme does not require any collateral security or guarantors. The loans can be availed in the following three manners:

1. Shishu- Loans up to Rs. Fifty (50) thousand are offered.
2. Kishore- Loans of the amount between Rs. Fifty (50) thousand to Rs. Five (5) Lakhs are granted
3. Tarun- Loan of Rs. Ten (10) Lakhs can be availed.

Upon the grant of loan, a Mudra card, similar to a credit card, is issued to the debtor with the limit of Ten (10) per cent of the loan amount.

Further information is available at <https://pradhanmantri-yojana.in/pradhan-mantri-mudra-yojana/>

- **Orient Mahila Vikas Yojana**

Oriental Bank of Commerce offers loans up to Rs. Twenty- Five (25) Lakhs to women who have 51% ownership in the proprietary concern. The interest rate of 2% is applicable on such loans. Collateral security is not required for loans up to Rs. Ten (10) Lakhs.

The relevant information can be obtained from the concerned branch of the bank.

- **Mahila Udhyaam Nidhi Scheme**

Punjab National Bank provides loans to women involved in setting up small scale industries on soft terms. Such loans can be repaid in ten (10) years. The maximum amount of loan that can be granted is Rs. Ten (10) Lakhs.

Apart from this, several schemes for women are offered by Punjab National Bank which can be accessed at <https://www.pnbindia.in/schemes-for-women.html>

- **Establishment of Business Units**

Some of the schemes available for setting up and establishment of business and production units are mentioned below:

- **Steps Scheme**

With the intention of providing skill development training for self-employment, the Department of Women and Child Development launched Support to Training and Employment Programme for Women Scheme (STEP). Under this scheme, the Government provides funding to non- governmental organizations for providing skill development training to women. The maximum funding provided is 90% and the rest of the amount has to be contributed by the implementing agency.

Details regarding this scheme can be found at <https://wcd.nic.in/schemes/support-training-and-employment-programme-women-step>

- **Pradhan Mantri Kaushal Vikas Yojana**

Though this scheme was not launched specifically for women, it does aim at providing skill training courses to women like beautician's course, tailoring, handicrafts and jewellery making. It provided training, certification and even placements to the women who successfully complete the course. However, a theory exam needs to be cleared in order to obtain the certificate which poses a problem for illiterate women.

The information about this scheme and the process of registration can be accessed at <http://pmkvyofficial.org/>

- **Skill India Scheme**

Apprenticeship Training By National Skill Development Corporation under the Skill India Scheme is also provided to women. It is a pilot program in collaboration with UNDP and Society of Development Alternatives which aims to provide training to women in fifteen (15) months.

The link to Skill India Portal is <https://www.skillindia.gov.in/>

Women entrepreneurs have been increasing and have marked their presence in the business world. Women entrepreneurs like Vinita Luthara (VLCC), Shahnaz Hussain, Falguni Nayar (Nykaa) and Richa Kar (Zivame) are some of the known successful entrepreneurs in India. But these are not limited to the educated and urban women who went on to pursue their desires. Few success stories of women entrepreneurs also include:

- **Lijjat**

It is India's leading women's co-operative aimed at women empowerment by providing employment. Lijjat was initially involved in selling papads. But it has expanded to selling other food-related fast moving consumer goods in India and globally.

- **Thinlas Chorol**

A woman entrepreneur born and brought up in extreme climate and habitation of Ladakh worked as a tourist guide till 2009. In 2009, she founded her own travel company Ladakhi Women's Travel Company. She has been involved in encouraging Ladakhi women to participate in mountaineering and expeditions.

### **Remedies to Solve the Problems of Women Entrepreneurs:**

The following measures may be taken to solve the problems faced by women entrepreneurs in India:

- In banks and public financial institutions, special cells may be opened for providing easy finance to women entrepreneurs. Finance may be provided at concessional rates of interest.
- Women entrepreneurs' should be encouraged and assisted to set up co-operatives with a view to eliminate middlemen.
- Scarce and imported raw materials may be made available to women entrepreneurs on priority basis.
- Steps may be taken to make family members aware of the potential of girls and their due role in society.
- Honest and sincere attempts should be undertaken by the government and social organizations to increase literacy among females.
- In rural areas self-employment opportunities should be developed for helping women.

- Marketing facilities for the purpose of buying and selling of both raw and finished goods should be provided in easy reach.
- Facilities for training and development must be made available to women entrepreneurs. Family members do not like women to go to a distant places for training.

Therefore mobile training centers should be arranged. Additional facilities like a stipend, good hygienic chreches, transport facilities, etc., should be offered to attract more women to training centres.

### **Measures taken for the Development of Women Entrepreneurship in India**

Women empowerment should be one of the primary goals of a society. Women should be given equality, right of decision-making and entitlements in terms of dignity. They should attain economic independence. The most important step to achieve women empowerment is to create awareness among women themselves.

Development of women can be achieved through health, education and economic independence. Realizing the importance of women entrepreneurs, Govt. of India has taken a number of measures to assist them. Some of the important measures are outlined as follows:

#### **▪ TRYSEM**

Training of Rural Youth For Self Employment was launched on 15th August 1979 which is still continuing. The objective of TRYSEM is to provide technical skills to rural youth between 18 and 35 years of age from families below the poverty line to enable them to take up self employment in agriculture and allied activities, industries, services and business activities. This is a sub scheme of IRDP.

Training given through ITIs, Polytechnics, Krishi Vigyan Kendra, Nehru Yuva Kendras etc has helped many rural women set up their own micro enterprises with IRDP assistance.

#### **▪ BANKS**

Banks particularly commercial banks have formulated several schemes to benefit women entrepreneurs. These includes Rural Entrepreneurship Development Programmes and other Training programmes, promotion of rural non-farm enterprise, women ventures etc.

#### **▪ NABARD**

NABARD as an apex institution guides and assists commercial banks in paying special attention to women beneficiaries while financing. It has also been providing refinance to commercial banks so as to help the latter institutions to supplement their resources which could be deployed for the purpose of financing women beneficiaries.

#### **▪ INDUSTRIAL POLICY**

The new Industrial policy of Government has specially highlighted the need for conducting special entrepreneurship programme for women.

#### **▪ INSTITUTIONS and VOLUNTARY ASSOCIATION**

Several voluntary agencies like FICCI Ladies Organization (FLO), National Alliance of Young Entrepreneurs (NAYE) and others assist women entrepreneurs.

NAYE has been a leading institution engaged in the promotion and development of entrepreneurship among women. It convened a conference of women entrepreneurs in November 1975.

### ▪ **NATIONAL POLICY FOR THE EMPOWERMENT of WOMEN, 2001**

As to the commitments made by India during the Fourth World Conference on women held in Beijing during September, 1995, the Department of women and children has drafted a national policy for the empowerment of women. This is meant to enhance the status of women in all walks of life at par with men.

Assistance to Women Entrepreneurs Entrepreneurship does not differentiate the sex. A number of facilities and assistance are offered to the entrepreneurs. However, certain additional incentives or facilities offered to women entrepreneurs are discussed as follows.

### ▪ **Small Industrial Development Organisation (SIDO)**

SIDO through a network of SISIs conduct the EDPs exclusively for women entrepreneurs. The aim is to develop entrepreneurial traits and qualities among women and enable them to identify entrepreneurial opportunities etc.

### ▪ **National Small Industries Corporation (NSIC)**

The H.P. scheme of NSIC provides preferential treatment to women entrepreneurs. It also conducts Entrepreneurs and Enterprise Building programmes for women.

### ▪ **Industrial Development Bank of India (IDBI)**

The schemes of IDBI for women entrepreneurs are summarized as follows:

Promoter's Contribution: The IDBI set up the Mahila Udyan Nidhi (MUN) and Mahila Vikas Nidhi (MVN) schemes to help women entrepreneurs. IDBI conduct programmes of training and extension services through designated approved agencies and association with other development agencies like EDII, TCOs, KVIC etc.

### ▪ **Mall Industries Development Bank of India (SIDBI)**

SIDBI has special schemes for financial assistance to women entrepreneurs. It provides training and extension services. It gives financial assistance at concessional terms in setting up tiny and small units.

### ▪ **Commercial Banks**

The "Sthree Shakthi Package Scheme" of SBI provides a package of assistance to women entrepreneurs. The consultancy wings of SBI give guidance on project identification and project viability.

The program of assistance such as repair and servicing, photocopying, dry cleaning, retail trade business enterprises, poultry farming, tailoring, etc. The Bank of India has introduced a scheme known as 'Priyadarshini Yojana' to help women entrepreneurs.

## **Women Entrepreneurship – Role and Importance:**

In this dynamic world, women entrepreneurs are a significant part of the global expedition for sustained economic development and social progress. Due to the growing industrialization, urbanization, social legislation and along with the spread of higher education and awareness, the emergence of Women owned businesses are highly increasing in the economies of almost all countries.

In former days, for Women there were 3 Ks- Kitchen, Kids, Knitting, then came 3 Ps- Powder, Pap pad, Pickles and now at present there are 4 Es- Electricity, Electronics, Energy, Engineering. Indian women had undergone a long way and are becoming increasingly visible and successful in all spheres and have shifted from kitchen to higher level of professional activities.

Women entrepreneurs are fast becoming a force to reckon with in the business world and are not only involved in business for survival but to satisfy their inner urge of creativity and to prove their capabilities. Educated Women is contributing to a great extent to the social transformation and in the future, will be seen that more women venturing into areas traditionally dominated by men.

Today's women are taking more and more professional and technical degrees to cope up with market need and are flourishing as designers, interior decorators, exporters, publishers, garment manufacturers and still exploring new avenues of economic participation. It is perhaps for these reasons that Government Bodies, NGO's, Social Scientists, Researchers and International Agencies have started showing interest in the issues related to entrepreneurship among women in India.

1. Women entrepreneurs;
2. Explore the prospects of starting a new enterprise;
3. Undertake risks, introduction of new innovations;
4. Coordinate administration & control of business;
5. Providing effective leadership in all aspects of business; and
6. Have proved their footage in the male dominated business arena. Concept of "Women" as an entrepreneur in India.

### **Top Export Schemes Offered By The Indian Government To Boost Entrepreneurs:**

In recent times, the government has come up with various export-oriented schemes in order to boost the SME(Small and Medium Enterprises) sector. This helps the economy to draw foreign exchange and make domestic companies competitive in the global market. Its main point is to produce goods for international trade and increase exports.

Here are some of the *Special Export schemes introduced by the Government* to boost Entrepreneurs and MSMEs for smooth financing:

- ü In September 2018, Government launched a **59 minute Loan portal** for a sanction of the loan value for [MSME sector](#) from INR 1 Lakhs up to INR 1 Crore. The small and micro enterprises can easily access credit and get their loan approved under this scheme in less than an hour.
- ü Under the **Pradhan Mantri Mudra Yojana Scheme**, small manufacturing units and service sectors units can avail loans from financial institutions [up to INR 10 Lakhs](#) without giving any collateral deposit.
- ü According to the Foreign Trade Policy of India (FTP 2015-20), Government has widened the scope and **raised the reward incentives** under **MEIS** (Merchandise Exports from India Scheme) and **SEIS** (Service Exports from India Scheme) **by 2%**.
- ü Under the **Zero Defect Zero Effect (ZED) model**, which is launched by the government, the SMEs and exporters are eligible to get rebates and concessions. This initiative was taken so that the exports are made in adherence to particular standards and are certified. Thus, do not get rejected and returned back to India.
- ü As per the **Credit Guarantee Scheme**, banks and financial institutions can extend to each borrowing unit a loan capacity of INR 200 Lakhs.
- ü Introduced the platform of **Trade Receivable Discounting System(TReDS)** to finance the Trade Receivables. For SMEs financial assistance is very important as the funds are limited. This shall ease their monetary crisis.



ü To boost exports, enhance the trader's liquidity situation and scout the new global markets, the government hiked the interest **subsidy of 3% to 5% for MSMEs on receiving credits at pre and post-shipment.**

ü For all those MSMEs registered under GST shall receive an **interest subvention of 2%** up to 1 crore for every fresh or incremental loan.

ü **Make in India project** was undertaken to ensure infrastructural and technological advancements in the economy. The plan behind this idea was to repair and reform the out-dated processes with best class systems so that SMEs can explore more export opportunities.

ü The government got created an online portal called Government **e-MarketPlace (GeM)** for their procurement of common use items through one place.

Some of the other popular export promotion schemes that have helped SMEs to grow and make their place in different parts of the world are-

- Ø Export Promotion Capital Goods Scheme (EPCG),
- Ø Credit Linked Capital Subsidy Scheme for Technology Upgradation (CLCSS),
- Ø Mini Tools Room & Training Center Scheme,
- Ø Financial Assistance on International Participation,
- Ø Stand up India Scheme,
- Ø Women Entrepreneurship,
- Ø Quality Management Standards & Quality Technology tools
- Ø Incubation
- Ø Grievance Monitoring System

SMEs play a significant role in the Indian economy. With the government's help and public sector interference, SMEs has the potential to take India to new heights. By providing the right quality of products and satisfying the end customers, it is expected that SMEs may one day overtake China in its volume. It is the right time when India SMEs should reap the advantages of such schemes and earn recognition worldwide.

## **Entrepreneurial motivations:**

**Meaning:** The entrepreneurial motivation is the process that activates and motivates the entrepreneur to exert higher level of efforts for the achievement of his/her entrepreneurial goals. In other words, the entrepreneurial motivation refers to the forces or drive within an entrepreneur that affect the direction, intensity, and persistence of his / her voluntary behaviour as entrepreneur. So to say, a motivational entrepreneur will be willing to exert a particular level of effort (intensity), for a certain period of time (persistence) toward a particular goal (direction).

### **Definition**

Motivation is regarded as “the inner state that energizes activities and directs or channels behavior towards the goal”.

Motivation is the process that arouses action, sustains the activity in progress and that regulates the pattern of activity.



## **Nature of Motivation**

The nature of motivation emerging out of above definitions can be expressed as follows:

### **1. Motivation is internal to man**

Motivation cannot be seen because it is internal to man. It is externalized via behavior. It activates the man to move toward his / her goal.

### **2. A Single motive can cause different behaviors**

A person with a single desire or motive to earn prestige in the society may move towards to join politics, attain additional education and training, join identical groups, and change his outward appearance.

### **3. Different motives may result in single behaviour**

It is also possible that the same or single behaviour may be caused by many motives. For example, if a person buys a car, his such behaviour may be caused by different motives such as to look attractive, be respectable, gain acceptance from similar group of persons, differentiate the status, and so on.

### **4. Motives come and go**

Like tides, motives can emerge and then disappear. Motives emerged at a point of time may not remain with the same intensity at other point of time. For instance, an entrepreneur overly concerned about maximization of profit earning during his initial age as entrepreneur may turn his concern towards other higher things like contributing towards philanthropic activities in social health and education once he starts earning sufficient profits.

### **5. Motives interact with the environment**

The environment in which we live at a point of time may either trigger or suppress our motives. You probably have experienced environment or situation when the intensity of your hunger picked up just you smelled the odour of palatable food.

You may desire an excellent performance bagging the first position in your examination but at the same time may also be quite sensitive to being shunned and disliked by your class mates if you really perform too well and get too much of praise and appreciation from your teachers. Thus, what all this indicates is that human behaviour is the result of several forces differing in both direction and intent.

## **Entrepreneurial Motivating Factors**

Most of the researchers have classified all the factors motivating entrepreneurs into internal and external factors as follows:

### **Internal Factors**

1. Desire to do something new.
2. Become independent.
3. Achieve what one wants to have in life.
4. Be recognized for one's contribution.
5. One's educational background.

6. One's occupational background and experience in the relevant field.

#### External Factors

1. Government assistance and support.
2. Availability of labour and raw material.
3. Encouragement from big business houses.
4. Promising demand for the product.

Some of the most important factors behind entrepreneurship are –

- A desire for applying innovative thoughts
- A desire for independent functioning
- A desire for financial independence
- A desire to achieve personal goals

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