



Financial inclusion for Women Empowerment and Entrepreneurship in India

V.Ramesh Krishna,
Lecturer in Commerce, Govt.Degree. College, Ramachandrapuram.

R. Venkateswarlu,
Lecturer in Commerce, Ideal College of arts& Sciences, Kakinada.

ABSTRACT: Entrepreneurship is essential to initiate the process of economic development for developing countries. Today, more and more women are undertaking various economic activities. They are playing very important role in socio-economic development of all countries. Because of their participation, global economy has been changed. It is estimated that approximately one third of the business organizations are owned by women in India and all over the world. The study aims at understanding the development of women entrepreneurship in India and their success and challenges. In view of the above conditions of women in India there is a strong need to analyze the financial inclusion for women and it needs a comprehensive programme to sustain women empowerment. The emergence of women entrepreneurs and their contribution to the national economy is quite visible in India. Throughout the developing countries, innovative lending programmes have emerged that specialized in giving small capital loans to low income entrepreneurs.

Key words: Entrepreneurship, Socio-Economic growth, empowerment

INTRODUCTION

Men devoted less time to voluntary care work, leaving them free to opt for work in the public sphere, including politics and trade unions - or to pursue more leisure activities. This resulted in a much higher total work load on women than on men throughout their lives. Again this unequal work load between women and men had a direct effect on the distribution of economic resources by gender. Women were disadvantaged in terms of labour market access, career opportunities and occupational and earning status. Women are more readily prepared to work in informal jobs and ended up being dependent on the family after a life time of informal work. Empowerment is measured by the degree of economic independence at household level decision making within the group. For the first time in the history of Indian planning there is an attempt to move beyond empowerment and recognize women as a great force which can influence Socio-Economic growth and change. The Eleventh plan recognized that women are not a homogenous category. Their situations and requirements differ based on their locations within various castes, communities, religious, geographic and zones. Therefore the broad vision of the Eleventh plan included several inter-related components: rapid growth that reduces poverty and creates employment opportunities, access to essential services in health and education especially for the poor, equality of opportunity empowerment of women through financial inclusion.



The emergence of women entrepreneurs: The emergence of women entrepreneurs and their contribution to the national economy is quite visible in India. Since the 1970's, many women's organizations worldwide have included credit and savings, both as a way of increasing women's incomes. The 1980's saw the emergence of poverty - targeted micro-finance institutions like Gramena Bank. Throughout the developing countries, innovative lending programmes have emerged that specializes in giving small capital loans to low-income entrepreneurs.

Women's Contribution to Economic Development

Women in India have been engaged in economic activities over centuries of history primarily through employment. Due to low productivity and inadequate incomes in the agricultural sector women in small farm families have moved from unpaid family labour to other occupations in particular, small scale enterprises through SHG movement. The absence of property rights and the concomitant difficulty in accessing credit may be responsible for the low proportion of women entrepreneurs in India. They face widespread discrimination and exploitation.

Need for a comprehensive programme to increase Financial Inclusion for women:

It is important to note that initiatives cannot be taken and implemented by the government alone. The promotion of women entrepreneurial activities and financial inclusion has to be elevated to a policy debate. There should be a serious commitment by banks and financial institutions and their business development sections should be proactive and ensure that credit delivery to women engaged in relevant sectors is given priority. In addition to the major infrastructure development projects, many village level enterprises and projects are coming up within a short period of time. Crop agriculture, the dairy industry, fishing industry and livestock are three key areas which can make a significant contribution to growth. Women's participation in each of these activities is estimated to be high and there are clear opportunities for women, seeking banking and financial services. It is time to prepare a comprehensive plan and that should have new entry points to accommodate women's financial requirements.

Women Empowerment practices.

Women constitute one-half of the world's population and a visible majority of the poor. Women either solely or largely support an increasing number of families. Projects aiming to improve the living conditions of the poor cannot be effective unless women participate in their formulation and implementation as contributors as well as beneficiaries. The following important conclusions are drawn. To empower women is to increase their control over the decisions that effect their lives both within and outside the household.

Problems of Women Entrepreneurs in India

1. The greatest deterrent to women entrepreneurs is that they are women. A kind of patriarchal-male dominant social order is the building block to them in their way towards business success. Male members think it a big risk financing the ventures run by women.



2. The financial institutions are skeptical about the entrepreneurial abilities of women. The bankers consider women loonies as higher risk than men loonies. The bankers put unrealistic and unreasonable securities to get loan to women entrepreneurs. According to a report by United Nations Industrial Development Organization (UNIDO), “despite evidence that women’s loan repayment rates are higher than men’s, women still face more difficulties in obtaining credit”, often due to discriminatory attitudes of banks and informal lending groups (UNIDO, 1995b).
3. The women entrepreneurs are suffering from inadequate financial resources and working capital.
4. Women’s family obligations also bar them from becoming successful entrepreneurs in both developed and developing nations. “Having primary responsibility for children, home and older dependent family members, few women can devote all their time and energies to their business”. The financial institutions discourage women entrepreneurs on the behalf that they can at any time leave their business and become housewives again. The result is that they are forced to rely on their own savings, and loan from relatives and family friends.
5. Indian women give more emphasis to family ties and relationship. Married women have to make a fine balance between business and home. Moreover, the business success is depends up on the family members extended to women in the business process and management. The interest of family members is a determinant factor in the realization of women folk business aspirations.
6. Another argument is that women entrepreneurs have low level management skills. They have to depend on offices staffs and intermediaries, to get things done, especially, the marketing and sale side of business. Here there is more probability for business fallacies like the intermediaries take major part of the surplus or profit.
7. The male-female competition is another factor, which develop hurdles to women entrepreneurs in the business management process. Despite the fact that women entrepreneurs are good in keeping their services prompt and delivery in time, due to lack of organizational skills compared to male entrepreneurs women have to constraints from competition. The confidence to travel across day and night and even different regions and level freedom of expression and freedom of mobility of the women entrepreneurs.
8. Less Confidence: Women entrepreneurs are not confident about their strength and competence. Their family members don’t stand by their entrepreneurial growth. In recent years, though the situation is changing, yet the women have to face further change for increased entrepreneurial growth.

Help extended to Women Entrepreneurs in India



1. Multilateral lending agency Asian Development Bank and Japan gives support, including financial assistance, for initiatives to improve skills of low-income women entrepreneurs in India. A grant of \$3 million from the government of Japan-financed Japan Fund for poverty reduction, administered by ADB, will be used to help women entrepreneurs in India.
2. Further assistance would be given to Small Industries Development Bank of India and its partner microfinance institutions to review and revives their gender policies and practices.
3. Additional funds of \$ 1,08,000 from the Government of India and \$ 1,06,700 from beneficiary communities will be provided for a total grant cost of \$3.214 million, it noted.

Schemes for Women Entrepreneurs

Bank

Bank of India
Central Bank of India
Oriental Bank and Commerce
Central Bank
Dena Bank
State Bank of Mysore
Punjab National Bank
State Bank of India
Punjab and sind Bank
SIDBI
Tamilnadu Marchantile Bank
Source: CLSA Asian-Pacific Markets.

Schemes

Priyadarshini Yogana
Cent kalyani
Oriental Mahila Vikas Yojana
CAN mahila
Dena Shakti
Sthree Shakthi
Mahila Udyam Nidhi Scheme
Sthree Shakthi Package
Udyogini Scheme
Mahila Udyam Nidhi
Mahalir

Suggestions :

- * Ensure equal access to illiterate poor women to get the benefits from PMRY Programme.
- * Bank transaction must be user friendly and must reach the doorsteps of rural women.
- * Production cum training centres should be opened at community level according to the market conditions.
- * Individual awareness programmes on health and nutritional issues should be organized to improve the health status of members as well as family.
- * Promote quality education and vocational training for girls and women.
- * Provide business services, training and access to markets, information and technology particularly to low income women community.

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