

State and Institutional Support for Women Entrepreneurship Development: A study of Dharwad District in Karnataka State

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Abstract

This paper examines the state and institutional support for women entrepreneurship development using a sample of 136 women entrepreneurs from Dharwad district of Karnataka by administering interview schedule. The study finds poor awareness level among sample women entrepreneurs on availability of various schemes. Only 85 per cent of women entrepreneurs having awareness have availed of the benefits of the programmes. The analysis also reveals that women entrepreneurs receiving institutional support and not receiving support have earned the same rate of profit. This indicates failure of institutions involved in developing women entrepreneurs and needs area specific and case specific approaches in furthering the women entrepreneurship. Institutions should also lay more emphasis in providing quality improvement through the adoption of latest technology and utilization of modern human resource management practices in imparting necessary training to sample women entrepreneurs.

Keywords:

Women Entrepreneurship, Training, Schemes, Institutional

Introduction

Women entrepreneurs occupy an important position in the industrial economy of the country because of low investment requirement, high potential for gainful employment generation and wider dispersal of industries in rural and urban areas. The economic development of advanced countries of the world has been attributed to the growth of women entrepreneurs. In advanced countries the majority of small enterprises have been managed by women. Women entrepreneurs represent nearly 40 per cent of all entrepreneurs in the United States and employ approximately 27.5 million people (NFWBO 2001). There are over five million women entrepreneurs constituting one fourth of all entrepreneurs in China.

Keeping the experience of Western economies in mind, the Government of India has set up various institutions to promote women entrepreneurial activities. They offer a wide range of incentives

measures to women entrepreneur for providing an impetus to industrialization. In India there are a number of institutions established for the development of women entrepreneurship, namely, National Institute for Entrepreneurship and Small Business Development (NIESBUD), Entrepreneurship Development Institute of India (EDII), National Bank for Agriculture and Rural Development (NABARD), Federation of Indian Women Entrepreneur (FASME), and World Assembly of Small and Medium Entrepreneur (WASME), District Financial Institutions (DFI) in general and Small Industries Development of Bank of India (SIDBI), etc. SIDBI has schemes to develop effective linkage with many leading national and international agencies to pursue promotional and developmental activities of SSI units in Karnataka. SIDBI and Karnataka State Financial Corporation (KSFC) have together launched many programmes for the growth of Women Entrepreneurship in Karnataka, to motivate them in establishing new enterprises and to upgrade and develop the existing ones.

In Karnataka the responsibility of women entrepreneurial development has been taken up by the Department of Industries and Commerce which operates through District Industries Center (DIC), Technical Consultancy Service Organisation of Karnataka (TECSOK), Karnataka Small Scale Industries Development Corporation (KSSIDC), Karnataka Industrial Area Development Board (KIADB), Karnataka State Finance Corporation (KSFC), Center for Entrepreneurship Development of Karnataka (CEDOK) and Karnataka State Women Development Corporation (KSWDC). In October 2010, the KSIIDC set up a new helpline for women entrepreneurs. It offers guidance, facilitates loans and training in different skills under its new scheme called '*Udyogini*,' and also motivates women entrepreneurs in establishing new enterprises and to upgrade and develop the existing ones.

Need for the study

Do all these Centre and State level development agencies contribute to the women entrepreneurship development? The agencies established are expected to create positive climate for the orderly growth of women entrepreneurship should nurture them and make them flourish. Facilities like industrial plots and sheds, finance at affordable rates, training, marketing arrangement etc, need to be provided. The present study aims to identify the availability of institutional support in the district of Dharwad by eliciting the views of a select number of women entrepreneurs.

The district of Dharwad, like majority of districts in Karnataka depends on agriculture for economic sustenance and lacks industrial unit of worth mentioning. Twin-city, Hubli-Dharwad, is viewed as second largest city in the State, suffer from poor industrial development. The women

entrepreneurship can be expected to play a significant role in the economic development and in social progress of the district. The institutional mechanism needs to be "harbingers of women entrepreneurship" and ensure their orderly growth. In view this, it felt the necessity of evaluating the extent to which the institutional and State mechanisms have helped the women entrepreneurs in the area to become successful entrepreneurs.

Review of literature

Several research works have been carried on women entrepreneurship development in India in general and in Karnataka State in particular. The works have covered almost all aspects of the working of entrepreneurs. Some have analysed the socio-economic background of women entrepreneurs, their problems, economic and social progress, financial performance of units of women entrepreneurs, determinants of women entrepreneurship development, etc. however, there are inadequate works relating to the institutional support for the women entrepreneurs. An attempt has been made to review some of the earlier works done on the subject in the following pages:

Shanker and Vijaylakshmi (2007) examine motivating factors among women entrepreneurs in Chennai by taking a sample of 47 respondents. The motivating factors were categorized in to push and pull factors. The study concludes that women entrepreneur's are motivated by the pull factors.

Murali Krishna (2009) analyse the problems and prospects of women entrepreneurs in north coastal Andhra Pradesh. The study identifies shortage of capital, unhealthy competition, transport system, information system, family problems, self confidence, and training programmes etc., as major problems faced by the women entrepreneurs. The study recommends for a provision of necessary support in production, financing and marketing and improvement in the socio-cultural environment.

Hede and Savita (1997) analyze problems of self-employed women. A survey was conducted on 65 sample women entrepreneurs of Goa. Inadequate finance, problem of infrastructure, labour, raw material, marketing and problem of getting state assistance at the time of registration, documentation etc., are the major problems faced by women entrepreneurs.

Anju and Inderjeet (1997) study 40 women entrepreneurs of Haldwani and Patnagar cities of Uttar Pradesh was conducted to ascertain the motivating factors, constraints and entrepreneurial traits of women entrepreneurs. The study reveals lack of technical know-how, excess work responsibility, poor knowledge about various institutions and Government programmes, unfavorable family attitude and lack of confidence in their own abilities as major constraints faced by the women entrepreneurs.

Charumati (1997) attempts SWOT analysis of women entrepreneurs in Tamil Nadu. The study reveals that women entrepreneurs are confident of overcoming the minor weaknesses and threats by utilizing their major strengths and opportunities.

Arlimath (2001) survey 180 women entrepreneurs in North Karnataka region of Karnataka State and the study reveals that total number of small scale units established by women entrepreneurs in Karnataka is 18590 units for the period 1994-1999. Out of these, 3862 were units established in the northern Karnataka region constituting only 21% of the total SSI units established in the area.

Thus, the review of literature clearly shows that no attempt has so far been made to analyze the State and Institutional support for women entrepreneurship development in Karnataka in general and in the district of Dharwad in particular. Hence, present study proposes to fill the gap in existing literature.

Research Methodology

The study is mainly based on primary data collected through field investigation. The entrepreneurs were personally interviewed with the help of "interview schedule", specially designed for the purpose. In addition to the primary data, secondary data was also collected from different State and private agencies like KSFC, DIC, CEDOK, KIADB, and RUDSETI, etc. The sample respondents are selected from five talukas of Dharwad district, of Karnataka namely, Hubli, Dharwad, Kundgol, Kalghatgi and Navalgund. The data so collected was properly analyzed with the help of simple statistical tools.

Objectives of the study

The following are the objectives of the study:

1. To identify type of institutional mechanism available in the study area;
2. To analyze the extent of awareness of these agencies among sample women entrepreneurs;
3. To identify the type of services availed of;
4. To study the impact of the services provided by institutions on the profitability of sample units.

Analysis and Discussion

The present paper aims at the analysis of the extent of awareness of the existence of state and institutional support for women entrepreneurship development in Karnataka and Dharwad district was selected as the sample area. The study further aims at analyzing the extent of benefits received by the entrepreneurs and its impact on the success or otherwise of women entrepreneurs. The required data collected through questionnaire on these lines was collated and analyzed in the following pages:

Number of women entrepreneurs in Dharwad district of Karnataka

The number of women entrepreneurs has grown over the years in Karnataka, especially in the 1990s. It is estimated that presently women entrepreneurs comprise about 10 per cent of the total entrepreneurs in Karnataka. If prevailing trend continues, it is not unlikely that in another five years it will comprise 20 per cent of the total entrepreneurial force in Karnataka. Table -1 shows the number of women entrepreneurs in Dharwad district.

Table-1

Number of women entrepreneurs in Dharwad district

2000-2001	276
2001-2002	265
2002-2003	209
2003-2004	193
2004-2005	160
2005-2006	128
2006-2007	198
2007-2008	234
2008-2009	143
2009-2010(march)	107
Total	1913

Source: District Industries Centre, Dharwad

The number of women entrepreneurs registered with the DIC has shown a decreasing trend. 107 women entrepreneurs registered for the 2009-10 as against 143 in the previous year and this is lower than 276 registered in 2000-01. This trend in the district is against the State level trend of increasing women entrepreneurs.

Profile of women entrepreneurs

This section gives a brief account of the profile of sample women entrepreneurs based on their age group and annual income. Table -2 gives the details relating to age profile of sample women entrepreneurs.

Table-2

Age group of women entrepreneurs	
Age group (in years)	Number
Below 30 years	30 (22.06)
Between 30 to 50 years	70 (51.47)
Above 50 years	36 (26.47)
Total	136 (100)

Source: Field Survey

Figures in brackets denote percentage to the column total.

Table-2 shows that about 22 per cent of sample women entrepreneurs belong to the age group of below 30 years, 51 per cent belong to the age group of between 30 to 50 years and 26 per cent belong to the age group of above 50 years. This indicates young women are not inclined to undertake entrepreneurial activities and this could be attributed to

marriage and other personal reasons. Women plan to become an entrepreneur with the fulfillment of family obligations. This could also mean that a woman loses prime creative period in non-entrepreneurial activities.

Table-3 shows the annual income of sample women entrepreneurs.

Table-3

Annual income of the sample women entrepreneurs

Annual income (Rs.)	Number
Less than Rs.5000	03 (2.21)
Rs.5000 to Rs.100000	32 (23.53)
Rs.100000 to Rs.500000	91 (66.91)
Rs.5 lakhs and above	10 (7.35)
Total	136 (100)

Source: Field Survey

Figure in brackets denote percentage to the column total.

Table-3 reveals that about 67 per cent of the women entrepreneurs' annual income is in the range of Rs.100000 to Rs.500000 followed by 24 percent in the range of Rs.5000 to Rs. 100000. The low income profile of large women entrepreneurs could mean that women entrepreneurs belong to poorer sections of the society and it is lack of income which drives women to become an entrepreneur. This could

also mean that activities undertaken by women are traditional in nature requiring lower investment level.

Business profile of women entrepreneurs

Table-4 discloses the activities undertaken by women entrepreneurs

Table-4
Type of the activities

Types	Number
Manufacturing	74 (54.41)
Trading	29 (21.32)
Service	33 (24.27)
Total	136 (100)

Source: Field Survey

Figures in brackets denote percentage to the column total.

Table-4 discloses that out of 136 respondents, 54 per cent of women entrepreneurs are engaged in manufacturing, 24 per cent are engaged in service activity and 21 per cent are in trading activity. The manufacturing sector includes home industries like condiments making, papad, candle, soap making, etc. The rural women excel in making all eatables which would find a ready market in urban areas. Chutney, powder of chillies, turmeric, embroideries etc. are some of the items made. The urban women engage themselves in trading and service activities like beauty parlors, tailoring, etc.

The extent of awareness among women entrepreneurs about various government and non-government agencies schemes for entrepreneurship development indicates that out of 136 respondents 108 sample women entrepreneurs are aware of the schemes. The Prime Minister Rojgar Yojana (PMRY) is a popular scheme under which sample women entrepreneurs have received various governmental benefits. This is followed by Yashswini and Swarna Jayanti Shahari Rojgar Yojana. Table-5 shows different sources of awareness for women entrepreneurs.

Table-5

Sources of awareness

Source	Number
Through friends	26 (24.07)
Through fellow businessmen	49 (45.37)
Through advertisements	09 (8.33)
All of the above	24 (22.23)
Total	108 (100)

Source: Field Survey

Figures in brackets denote percentage to the column to the total.

Awareness created among by fellow businessmen is the biggest source of information to sample women entrepreneurs followed by friends. The agency's efforts through government are minimal. The advertisement of government agencies has resulted in only 8 per cent of

entrepreneurs becoming aware of schemes.

Awareness and availing of benefits are not necessarily being the same. Do all entrepreneurs who are aware avail benefits? Table-6 shows details relating to number of sample entrepreneurs who have availed of benefits.

Table-6

Services or support availed by women entrepreneurs

Service/Support availed	Number
Yes	87 (80.56)
No	21 (19.44)
Total	108 (100)

Source: Field Survey

Figures in brackets denote percentage to the column total.

Table-7 shows out of 108 women entrepreneurs, who are aware, only 80 per cent have availed support or benefits whereas remaining do not. The different types of support/benefits availed by entrepreneurs include training

assistance, benefits under different schemes and loans from the Government institutions as well as from non-Government agencies. Table-7 shows agencies assisting women entrepreneurs.

Table-7

Agency assisting women entrepreneurs

Agency	Number
Government	54 (62.07)
Non-government	23 (26.44)
Both	10 (11.49)
Total	87 (100)

Source: Field Survey

Figures in brackets denote percentage to the column total.

Of the women entrepreneurs availing services of agencies involved in entrepreneurship development 62 per cent received benefits from government organizations and 26 per cent from NGOs. This clearly indicates that sample women entrepreneurs depend more on government agencies for

entrepreneurial development than NGOs. This could also mean that government agencies are more involved in women entrepreneurship development than NGOs in the study area. Table 8 shows the stage where the assistance is provided to sample women entrepreneurs.

Table-8

Stage of Assistance

Support taken	Number
Before establishment	27 (31.03)
After establishment	39 (44.83)
Both before and after establishment	21 (24.14)
Total	87 (100)

Source: Field Survey

Figures in brackets denote percentage to the column total.

Table-9 states that 31 per cent of sample women entrepreneurs have taken support in pre-establishment period and 44.83 per cent in post-establishment period. Around 25 per cent of sample women entrepreneurs have taken assistance both in pre and post establishment periods. Successful women entrepreneurship call for assistance in pre and post periods. The assistance is required in equal

manner in both the periods. Greater this percentage, the better it is for overall women entrepreneurship development. Table-9 depicts the type of government agencies assisting women entrepreneurs. Table-9 depicts the type of government agencies assisting women entrepreneurs.

Table 9

Identification of the Government agency

Government agency	Number
KSFC	09 (14.75)
DIC	36 (59.02)
CEDOK	12 (19.67)
KSWDC	01 (1.64)
KIADB	03 (4.92)
Total	61 (100)

Source: Field Survey

Figures in brackets denote percentage to the column total.

The DIC is the largest Government agency providing assistance to women entrepreneurs in the study area followed by CEDOK, KSFC, KIADB and KSWDC. DIC helps women entrepreneurs in preparing projects and also conducts various programmes to develop awareness amongst the uneducated women regarding self-employment and its importance. The CEDOK is involved in providing training facilities, promotion and development of women entrepreneurs through human resource development and

conducting research work throughout Karnataka state. The KIADB is an industrial development board, which acquires land for industrial development and allots developed plots to women entrepreneurs and also shoulders the responsibility of maintenance of the industrial areas. The KSFC is engaged in providing financial assistance. Table-10 shows the type of non-government agencies assisting women entrepreneurs.

Table-10 shows the type of non-government agencies assisting women entrepreneurs.

Table-10

Identification of the non-Government agency

Non-government agency	Number
RUDSETI	07 (26.92)
AWAKE	-
WASME	-
Others	19 (73.08)
Total	26 (100)

Source: Field Survey

Figures in brackets denote percentage to the column total.

Though there are several NGOs involved in providing entrepreneurial assistance to women, the sample entrepreneurs have received benefits from RUDSETI followed by other agencies. RUDSETI is a worldwide known NGO owned and managed by SDM trust and it

imparts training to needy women entrepreneurs. Some important training programmes include tailoring, knitting, dress designing for women, book binding, screen, printing etc. Table-11 shows the type of assistance taken by women entrepreneurs.

Table-11

Type of assistance taken by the women entrepreneurs

Assistance	Number
Financial	29 (33.33)
Machinery and equipment	05 (5.75)
Legal guidance/counseling	06 (6.90)
Technical training	47 (54.02)
Total	87 (100)

Source: Field Survey

Figures in brackets denote percentage to the column total

The technical training and financial assistance are the two major types of assistance received by women entrepreneurs in the study area. A women entrepreneur needs significant assistance in starting and managing business entities. Besides financial assistance, women entrepreneurs require assistance in marketing, accounting, human resource, research, testing material quality, etc.

How do sample women entrepreneurs feel about the agencies involved in providing the services or benefits?

Their positive perception is very essential for the overall development. A woman who has positive perception carries forward the good work of the institutions to the others and would help in the development of the institutions in particular and of the women entrepreneurship development in general. Table-12 shows the perception of women entrepreneurs relating to the role played by the institutions for women entrepreneurs.

Table-12

Perception of Women Entrepreneurs

Role play	Number
Helps in arranging funds	48 (55.17)
Assists in training	28 (32.18)
Assists in identifying the source of material	09 (10.34)
Identify the lending agencies	02 (2.31)
Total	87 (100)

Source: Field Survey

Figures in the brackets denote percentage to the column total

Women entrepreneurs need basically assistance in finance and training. The institutions involved in women entrepreneurship have provided these two services. 87% of sample entrepreneurs opine that the agencies are assisting by arranging for funds and imparting training.

The study enquires on the extent of benefit received by women entrepreneurs. Only 59% opines that institutions

benefit women entrepreneurs. Only 59% of women entrepreneurs of the study opine positively relating to the role of agencies involved. They regard these institutions involved in the entrepreneurship development playing a catalyst and dynamic role. The survey also enquires relating to the preference for government and private agencies. Which agency provides better services? Table 13 compiles opinion in this regard.

Table-13

Which institutions provide better benefits?

Institution	Number
Government	51 (58.62)
Private	09 (10.34)
Both	04 (4.60)
Cannot say	23 (24.44)
Total	87 (100)

Source: Field Survey

Figures in the brackets denote percentage to the column total.

59 per cent of sample entrepreneurs opine that government agencies benefiting more than private agencies. Generally, in a backward region, the government assumes larger responsibility of providing technical and financial assistance to entrepreneurs. The NGOs could play a significant role. However, the district of Dharwad has fewer NGOs involved in the development of women entrepreneurs.

The study has analyzed the impact of institutional assistance on profits earned by the sample units. Do units receiving governmental/NGO assistance perform better? It can be hypothesized that assistance of any agency and in any form should benefit the business unit. Table-14 compiles data relating to this aspect:

Table-14

Profit earned by the women entrepreneurs.

Profit earned	Support availed	Support not availed	Total
	Number	Number	
Less than 10 %	64 (47.06)	33 (24.26)	97 (71.32)
10% to 15 %	19 (13.97)	12 (8.83)	31 (22.79)
15% to 20%	4 (2.94)	02 (1.47)	06 (4.42)
Above 20%	-	02 (1.41)	02 (1.47)
Total	87 (63.97)	49 (36.03)	136 (100)

Source: Field Survey

Figures in the brackets denote percentage to the column total.

The perplexing observation is that units assisted as well as units not assisted perform equally poorly. The ROI earned by larger sample units is less than 10 per cent. In fact there are only two units in the sample earning greater than 20 per cent and that too not availing any benefits.

This raises important question that the performance units, irrespective of assistance and no assistance, is independent. The success is determined by individual efforts and business environment. A hard working entrepreneur can be a successful entrepreneur even without any financial assistance.

The indifference in performance of assisted units can also indicate ineffective schemes launched. There is a need to strengthen and streamline various schemes of both government and NGOs. The post-mortem analysis would help in overcoming the loopholes.

Findings and Suggestions

The key observations of the study based on the above analysis of state and institutional support for women entrepreneurship development in Dharwad district of Karnataka reveals certain shortcomings. There is a need to streamline and strengthen the agencies in general and their schemes in particular. The important observations and suggestions are:

- The study reveals lack of enthusiasm among women to become entrepreneurs. The programmes developed by various agencies do not lay stress in involving younger women into the entrepreneurial programmes. Effective induction programmes, concessional finance, assistance in preparing projects, timely release of finance, etc, can motivate younger women to become entrepreneurs.
- Since investment made by sample entrepreneurs and activities chosen are simple, the agencies could create a

wide marketing for products of women enterprises. Exhibitions, fairs, adequate stalls, a separate retail mall in every urban center, etc., can make the difference in the performance of assisted and not assisted units.

- Institutions should also lay more emphasis in providing quality improvement through the adoption of latest technology, utilization of modern human resource management practices and also by imparting training in the field of financial and other management of women enterprises to the women entrepreneurs in order to earn more profits.
- The awareness of various sources of schemes is low among women entrepreneurs. There is a need to increase the level of awareness. Modern communication media should be utilized to increase the level of awareness. Entrepreneurial awareness may be created among women through seminars, symposiums and workshops. NGOs and Government-run training institutions should take greater interest in providing information and running training programmes for women entrepreneurs and increase productivity and performance level.
- Number of schemes and programmes should be introduced and implemented for the socio-economic emancipation of women at various levels irrespective of caste, race, place, affluence class and indigence. But, these provisions and facilities are to be known to majority of women who are to be the beneficiaries.
- Women entrepreneurs in backward and rural areas need special assistance from government and NGOs. Marketing assistance, technical guidance, good transport facilities, information regarding different types of facilities available, etc., need to be provided.
- The State Government should also offer range of incentives by way of providing land and developed plots/sheds on concessional terms, industrial infrastructure facilities, subsidy on investment, water supply etc. at reduced rates for setting up of units.
- It is required for the nodal agencies to guide women entrepreneurs during crises or sickness.
- Procedures for getting loans need to be made simple and cost-effective.

Conclusion

Women entrepreneurs are very important segment in the economic development at local to global levels. Economic independence and education of women will go a long way in attaining self-reliance for women. But unfortunately, the government sponsored development activities have

benefited only a small section of women and also information gap largely affects women's development. Therefore, the government and non-government should take initiative to make women aware and motivate them towards entrepreneurship. At the same time, efforts may be made by the authorities to solve these problems and suitable steps taken to provide the needful assistance. Such measures strengthen the movement of women entrepreneurs.

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