

Telangana Government Policies To Promote Women Entrepreneurship

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ABSTRACT

The concept of female entrepreneurs is very recent. Since women entrepreneurs are an underutilized resource in the nation that may be effectively employed and since their importance is growing, a great deal of research has been done in this area. Regardless of the size of the company, finance is regarded as its lifeblood. Funding, nonetheless, remains scarce for female business owners. Important initiatives from the government and local governments have been put into place to encourage female entrepreneurship. Many associations of female entrepreneurs have been formed to support efforts for women in small and large businesses. Establishing and maintaining a thriving business are difficult tasks, particularly for women. Although society has never fully trusted their abilities, women have proven their doubters wrong. Driven by a desire to succeed, their tenacity and determination have carried them through many obstacles. Entrepreneurs that are female are unable to obtain financing at the same pace as men.

Keywords: Women entrepreneurship, Government support, Startup, WE-HUB, Policies and Opportunities.

INTRODUCTION

In June 2014, Telangana, the recently created state, was formally admitted. It is a major state that boosts the Indian economy, with a GDP of about \$140 billion and a per capita GDP of \$3,400. The state has developed a special strategy to foster a thriving start-up ecosystem across the country in order to support an innovation-driven economy. The goal of the state is to lead the technology industry by providing support to innovators, start-ups, researchers, and entrepreneurs. It helps inventors and businesses so they can grow and prosper. The state continuously strives to become the country's leading destination for technology investments by cultivating a strong entrepreneurial ecosystem. The government has created several eco-system enablers for start-ups and entrepreneurs to aid in this including T-WORKS, T-HUB, RICH, Emerging Technologies, TSIC, and TASK.

The State of Telangana boasts a strong start-ups ecosystem that empowers businesses through institutional assistance, incubator support, and entrepreneur capacity building. Over 3000 start-ups are part of the State's established network (see Figure A for a list of some of Telangana start-up ecosystem's accomplishments). The Telangana Innovation Policy (2016–2021) seeks to foster entrepreneurship, experimentation, innovation, and taking calculated risks throughout the State. The State has been rapidly progressing from conceptualization to implementation of its roadmap for the creation of start-ups through the essential pillars, which include physical infrastructure and the promotion of grassroots and social innovation (see Figure B for the pillars of Telangana Innovation Policy 2016). Telangana is a manufacturing powerhouse, placing fourth in the large States category of the NITI Aayog's India Innovation Index study. The fact that three Telangana-based firms have taken home the 2020 National Start-up Awards is notable.

IMPORTANCE OF THE STUDY

Women's economic independence is critical to their security and empowerment. Entrepreneurship allows women to earn their own money, make their own decisions, and inspire others to achieve economic and political liberty. Unlike traditional employment, entrepreneurship promotes women's decision-making, self-assertion, and responsibility while confronting patriarchal conventions that impede female advancement. Gender inequities remain in the corporate sector, with women being expected to prioritise family over work. Women frequently do business in informal settings, suffer challenges balancing work and family, and lack access to business networks. Entrepreneurship is stereotyped as a male area, deterring women from taking chances, pursuing financial independence, or accepting leadership responsibilities. Female entrepreneurs usually earn less than men, have less cash, and are less growth-oriented due to family obligations.

Despite these hurdles, women's entrepreneurship contributes significantly to economic and social progress. International organisations such as the UN, ILO, World Bank, and USAID recognise its significance in encouraging social mobility, economic progress, and gender equality. However, antiquated policies and gender biases continue to impede development. Addressing these inequities is critical for long-term economic and social growth globally.

OBJECTIVES OF THE STUDY:

1. To be aware of the initiatives taken by the Telangana government to assist female entrepreneurs.
2. To ascertain the problems pertaining to the growth of female entrepreneurs in Telangana.
3. To offer some suggestions for possible means of advancing, strengthening, and expanding women's empowerment in the Telangana state.

METHODOLOGY OF THE STUDY:

Obtaining information from secondary sources is necessary because of the nature of the current investigation. The author always carefully considered the objectives of the study before choosing the data that would be required to achieve them. Academic working papers, books, journals, media, research studies, and the official websites of Telangana and India were the sources of secondary data. The information acquired may be processed and evaluated in order to make the current study useful to scholars, researchers, planners, policymakers, and practitioners in the relevant field.

WOMEN ENTREPRENEURSHIP IN TELANGANA STATE

One of the most sought-after commercial locations in India for electronics, pharmaceuticals, and information technology (IT) is Telangana, which comes in second in terms of IT exports. To empower women and strengthen their sense of dignity, the Telangana government is implementing a number of welfare and development initiatives. Telangana is earning a reputation as the women's welfare state thanks to the adoption of development and welfare initiatives aimed at the advancement and empowerment of women. The Telangana government's well-executed action plans for the entire development of women have set an example for the country. The statement went on to say that the government is giving interest-free loans totalling about Rs 750 crore to women's self-help groups in both rural and urban areas in observance of Women's Day.

By G.O.Ms.No. 7, dated July 27, 2021, the Telangana government adopted the following definitions in an effort to identify and support women entrepreneurs in the state:

Women Entrepreneurs:

A woman is deemed a woman entrepreneur if she meets even one of the following criteria:
I. The female founder or co-founder of a duly recognized start-up should be eligible to vote on the board of directors and/or hold a senior role within the organization.
(Alternatively)

II. The female founder must hold a leadership position within the organization, possess a minimum of 20% of the equity in a registered start-up, and be eligible to vote on the board of directors.

Special Assistance to Women Entrepreneurs:

There are remarkably few industrial firms controlled by women. The Telangana State Government provides female entrepreneurs with multiple channels of support. All nine districts of the state, with the exception of Hyderabad, have one or more industrial parks that are exclusively for female entrepreneurs. The government extends an invitation to groups that assist women entrepreneurs, like COWE, ALEAP, and FICCI-FLO, to work together to find and mentor women entrepreneurs, create project ideas, link them to lenders, and monitor and manage the progress of their projects. The government would support more women from socially marginalized groups including SCs, STs, BCs, and Minorities who wish to launch their own enterprises.

SCHEMES TO PROMOTE WOMEN ENTREPRENEURS IN TELANGANA:

1. TREAD Scheme: This program aims to empower women through providing credit for projects, providing specialized training and counselling, and collecting data on pertinent needs. The plan provides a government subsidy of up to thirty percent of the overall project cost as decided by financial institutions. These groups would provide the funding for the remaining 70%.

2. MAHILA UDYAM NIDHI Scheme: This Small Industries Development Bank of India (SIDBI) initiative provides funding for the establishment of new small businesses up to Rs 10 lakh. It also aids in updating and modernizing projects that already exist. The loans have a five-year moratorium and a ten-year repayment period. Moreover, the interest rates on these loans could fluctuate in line with market rates.

3. MUDRA Yojana Scheme: Women who want to start a small business, like a beauty salon, tutoring center, or tailor shop, can also apply for this general government program for small units. It is also beneficial for a group of women who want to start a business together. Loans up to Rs 50 lakh, with a starting point of Rs 50,000, are allowed under this plan. Collateral and guarantors are required only when the loan amount exceeds Rs 10 lakh. There are three options available: the Shishu plan, which provides loans up to Rs 50,000 for new businesses; the Kishor plan, which provides loans for established businesses between Rs 50,000 and Rs 5 lakh; and the Tarun plan, which provides loans between Rs 5 lakh and Rs 10 lakh for business expansion.

4. ANNAPURNA Scheme: This program is open to female entrepreneurs who have started a food catering company. They can borrow up to Rs 50,000 to purchase house wares, including as utensils and water filters. A guarantor is required in order to get the loan. The loan can be taken out and paid back in thirty-six equal payments. Furthermore, the applicable bank will set interest rates under this strategy based on current rates and accept assets as security.

5. Stree Shakti Package: Women who own more than 50% of the equity in a small business are eligible for it. The women also need to register for the Entrepreneurship Development Programs (EDP) offered by the appropriate state agency. For loans larger than Rs 2 lakh, the initiative offers a 0.05 percent interest decrease.

6. Bhartiya Mahila Business Bank Loan: This scheme allows women to seek for loans up to Rs 20 crore for their manufacturing firms. Loans given under the Credit Guarantee Fund Trust for Micro and Small Enterprises up to Rs 1 crore are not subject to collateral requirements. Loans under this bank lending scheme must be repaid within seven years.

7. Dena Shakti Scheme: Women entrepreneurs who run small enterprises in manufacturing, retail, microcredit, agriculture, or other allied industries are eligible to qualify for loans up to Rs 20 lakh under this program. An interest rate reduction of 0.25 percent is made available. Under the microcredit section of the plan, loans up to Rs 50,000 are offered.

8. Udyogini Scheme : Women entrepreneurs between the ages of 18 and 45 who run small businesses in retail, agriculture, or similar industries are eligible to apply for loans up to Rs 1 lakh under this scheme. Furthermore, her family's annual income cannot be more than Rs 45,000 in order for them to be eligible for the loan. There is no income ceiling for widowed, underprivileged, or disabled women. For women who fall under the SC/ST categories and are widowed, impoverished, or disabled, a thirty percent loan subsidy is available, up to Rs 10,000.

9. Cent Kalyani Scheme: The Central Bank of India offers this program to women entrepreneurs in a range of industries, including retail trading and agricultural. With this program, loans up to Rs 1 crore can be sanctioned without the need for collateral or guarantors. Variable market rates serve as the basis for loan interest rates.

10. India Stand-Up: Under the Stand-Up India Scheme, bank loans ranging from 10 lakh to one crore can be obtained by at least one borrower from a Scheduled Caste (SC) or Scheduled Tribe (ST) and one borrower who is a woman per bank branch for the establishment of Greenfield companies. A woman or a SC/ST shall possess at least 51% of the controlling stake and shareholding in non-individual enterprises.

11. PMEGP – The Prime Minister's Employment Generation Program is administered by the Khadi and Village Industries Commission (KVIC), which serves as the national nodal authority. PMEGP offers financial assistance to MSMEs in order for them to start a new project.

12. CGTMSE: Micro and Small Enterprise Credit Guarantee Fund Trust: By shifting money from traditional lenders to a new generation of entrepreneurs, the Credit Guarantee Scheme (CGS) aims to improve the credit delivery system, facilitate credit flow to the MSE sector, and provide better access to funding for the poor, unserved, and underserved. Over the past two decades, competent Member Lending Institutions (MLIs) have provided MSEs with collateral and third party guarantee-free loan facilities. A significant component of this support has come from CGTMSE.

13. Telangana Women's Cooperative Development Corporation: It was established in 1975 with the intention of empowering rural women and is registered as a co-operative under the Societies Act of 1964. The main duties performed by this organization are as follows:

District Durgabai Mahila Sisu Vikasa Kendrams (DMSVKs) provide jobless women with structured training programs in trades and vocational courses.

2. Training is provided to field workers in the nutrition and health sectors.
3. Trade events, exhibitions, and buyer-seller interactions provide women entrepreneurs with marketing resources.
4. Working Women's Hostels are managed by this corporation.
5. Students who drop out of school can enrol in bridge schools.
6. It serves as a Nodal Agency for NGOs seeking funding assistance from the Government of India to create Women Empowerment Programs.
7. It provides homeless and destitute women with temporary accommodation and safety.

14. WE-HUB: Any aspiring female entrepreneur can receive comprehensive support from WE HUB. It offers access to capital, mentorship, infrastructure, support services, and guidance on business branding, partnerships, and promotion to innovative companies as a state-led initiative.

15. T-HUB: Through networking, workshops, mentoring, and other initiatives, T-HUB was created with the goal of assisting and creating the ideal atmosphere for entrepreneurs involved in the technology industry. Academics, corporate companies, angel investors, entrepreneurs, and many more make up this ecosystem.

Institutional Support

The goal of institutional support is to enable the State/UT's start-up policy to be implemented and carried out through a comprehensive platform and targeted incentives offered by different government players. The information that entrepreneurs need to know about state-supported projects is the main emphasis of this reform area. It examines whether a specific State or UT has an operational start-up portal that provides a single point of contact for all parties involved in the start-up ecosystem. Through the use of local language functionality, a comprehensive start-up portal provides services that range from start-up registration to an effective grievance redressal mechanism, all while ensuring that information is inclusive and accessible. With specifically designed incentives and programs to guarantee equal implementation, a particular emphasis has been placed on women-led enterprises. The Reform Area also highlights the formalized assistance that the State/UT Government departments offer to the businesses.

Start-up Telangana, a comprehensive start-up portal, includes information such as:

1. Policy for State Start-ups
2. Details on the Nodal Department and group
3. Specialized Helpline for New Businesses
4. Start-up India Hub API connection for start-up registration
5. State-Level Clearances and Approvals.
6. Incubators and Methods for Corresponding
7. List of Mentors and How to Get in Touch with Them
8. Detailed assistance with funding, new or amended rules and regulations, and public procurement
9. Information about the Departments that Give Start-ups Institutional Support.

Additionally, Start-up Telangana offers a Grievance Redressal Mechanism for start-ups to file complaints regarding a range of topics, including funding, incubator support, public procurement grievances, regulatory issues, and other queries or grievances.

CONCLUSION:

Telangana has also made a significant effort to support the growth of female entrepreneurs. Since Telangana was created as the twenty-ninth state, the government has taken aggressive steps and launched programs to improve the status of women in the state. The empowerment of women is the foundation of Telangana's empowerment. The government has started a number of initiatives and programs to support women entrepreneurs in addition to supporting policies. The entrepreneurial attitude is also being encouraged in elementary schools, with the goal of helping women develop their entrepreneurial traits and get over societal barriers. The loan amount was too small, the repayment period was too long, the terms and conditions were too onerous, and the interest rates on the loans were too high for female entrepreneurs.

SUGGESTIONS:

1. To accelerate the state's entrepreneurial revolution, young women entrepreneurs should share their e-commerce success stories.
2. Increasing general public awareness of the laws and initiatives that assist female entrepreneurs and, in turn, the procedures that must be followed to obtain them.
3. There has to be a massive increase in the public's knowledge and understanding of entrepreneurial options and entrepreneurship as a viable career path. Entrepreneurship should be an obligatory course in all academic programs. Vocational education offered in schools ought to be the first step.
4. The entire center of entrepreneurship was in and around Hyderabad, and policymakers ignored the remaining state resources as well as the potential of rural women in particular to foster entrepreneurship.

5. The State might grant female-led start-ups additional incentives. The State may set aside a certain percentage of financial grants and incubator support for businesses run by women.
6. To encourage other departments to offer comprehensive support to start-ups, the State may create rules, implement department-specific awareness campaigns, and issue government directives.

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