

## EFFECTIVENESS OF GOVERNMENT SCHEMES: A CRITICAL REVIEW OF MOST WIDELY USED SCHEMES

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**Abstract-** *Government has launched many schemes for promoting women entrepreneurs. The schemes are launched and applied as per the need of the region. There are many governmental agencies who work at different level to make the scheme a successful one by making it reach to every member. It is also noted that every scheme is launched for a certain duration later which as per need new schemes are framed or existing schemes are reviewed for a fresh start. Evaluation of the Government Schemes have greater power to improve the effectiveness of the schemes launched. Evaluation perhaps might be the last thing in the agenda but has a greater contribution while thinking about the planning of the future schemes. This paper aims to concentrate on evaluating the effectiveness of all the schemes launched in rural areas for Maharashtra for empowering the women for entrepreneurial activity. This will be based on the analysis of effectiveness index of the household and the compound average growth rate of the women who have opted for entrepreneurship by availing government scheme.*

**Keywords:** *Women Entrepreneurs, Schemes, Government, Effectiveness*

### I. Introduction

Entrepreneurship development among women is an empowerment strategy to promote income generating enterprises which generate sufficient livelihood and economic sustenance to family income. Women entrepreneurship has been recognised as an important source of economic growth. Women entrepreneurs create new jobs for themselves and others and provide society with different solutions to management, organisation and business problems. However, they still represent a minority of all entrepreneurs. Women entrepreneurs often face gender-based barriers to starting and growing their businesses, like discriminatory property, matrimonial and inheritance laws and/or cultural practices; lack of access to formal finance mechanisms; limited mobility and access to information and networks, etc.

Women's entrepreneurship can make a particularly strong contribution to the economic well-being of the family and communities, poverty reduction and women's empowerment, thus contributing to the development of the nation. Thus, governments and other developmental organizations are actively undertaking promotion of women entrepreneurs through various schemes, incentives, and promotional measures.

## **II. Role of Government in Women Entrepreneurship**

Financial services play an important role in assisting the poor in managing their money and in improving their living status. Government and other organizations have always played a crucial role for women empowerment of any progressive nation. Policy is typically described as deliberate plan of action to guide decisions and achieve rational outcome. According to the need in the society continuous changes and new policies have been put forth by the national and state government to cope up with the needs of the society. So that maximum extraction can be done from the policy for empowering the women and in turn it empowers the nation.

### **Maharashtra State Commission for Women**

Policies are the road maps that guide the government bodies and the other machinery for implementation of programmes that are developmental. To develop the women entrepreneurs, the government through a statutory organization and the Nation empowerment policy have implemented schemes. These schemes and programmes are run in the state with help of government agencies and banks. The schemes are plans that are implemented by the government agencies. The state of Maharashtra has designed schemes offer women entrepreneurs on the base of the policy designed by the Government of India. These are the schemes which are implemented by DIC, KVIC, KVIB, MSME, DUDA, DRDA etc.

Here is the detailed analysis of the schemes in Maharashtra which are implemented by the government which help us to critically analyse the statutory policies for empowerment of women. All Yojnas are critically analysed but out of them Swarnajayati Gram Swarozgar Yojna and Prime Minister 's Employment generation Program, are the two policies that have some provisions for empowerment of women entrepreneurs apart from SHG (Self Help Group) and JLG (Joint Liability Group). The schemes were critically analysed on the following parameters like, the year of declaration, the implementing body, number of male and female under the scheme, special provisions for women entrepreneurs, the finance provided through the scheme.

### III. Statement of The Problem

Women constitute 50 percent of human resources. The contribution of women and their role in the family as well as in the economic development and social transformation are pivotal. Following are the questions that initiated the present research problem

- How much are government schemes effective for women entrepreneurship?
- What is the role of government scheme in growth of the women entrepreneurs?

Many schemes have been initiated by government for developing women entrepreneurship. However, it is important to know how government is supporting women in actual practice. Thus, the role of government becomes crucial as they become the key factor to improve the socio-economic condition of these self-employed women for self and for betterment of the nation. If there is no understanding for the how the scheme has empowered the scheme has no purpose to solve. Because of this importance, the researcher has chosen this topic for intensive study.

### Objectives

The objective of the paper is to analyse the schemes that were made for the women entrepreneurs of rural and semi urban area in Maharashtra. The second objective of this paper is to study the effectiveness of Government schemes for women entrepreneurs.

### Hypothesis

To understand the effectiveness of the scheme it becomes mandatory to review the women respondents who have availed this facility and study the change occurred. This in turn will help in analysing the effectiveness of the scheme. The researcher has also felt that for any scheme to be successful can only be ensured if growth of the women is identified.

- $H_0$ : There is no significant relationship between government support and growth of women entrepreneurs.
- $H_a$ : There is significant relationship between government support and growth of women entrepreneurs.

### 3.3 Scope of The Study

The study attempts to evaluate the support provided by government through various schemes in Sangli district for women entrepreneurship.

## IV. Research Methodology

The present study aims at analysing the government support towards women entrepreneurs in Sangli district through various schemes.

### Selection of Sample

For selecting the sample women entrepreneurs for the study, multistage sampling technique was applied. By applying random sampling, the sample size of 384 was selected from the total universe of 8,10,704. According to Krejcie & Morgan sample size calculator, the beneficiaries from those who have availed loan in any of the above stated scheme stated in the annual report of lead bank for the year 2012-2013 were considered. The samples were selected specially from 2012 -13 so that during 2022 the business must have reached to a considerable level for analysing the growth of the women entrepreneurs. The scheme related number of beneficiaries is as follows.

**Table 4.1 Sample Size Calculation**

Universe	Sample	Sample Taken	Method
8,10,704	384	468	Random Sampling

Source: Lead Bank Sangli

For population 8,10,704 at 5% confidence interval adequacy of sample size is 384. The sample taken is 468 which are more than that.

## V. Analysis

### 5.1 Analysis of Effectiveness of Government Scheme

The role of government is crucial in helping develop a healthy employment opportunity for the growth of women members and the economic growth. Various institutions at state and national level combining with financial institutions have been making special provision for women so that they can get a secured, risk-free environment to opt for self-employment. The focus of these agencies is to provide financial, technical, and managerial support to women for smooth running of the business.

### Scheme Selection

Further selection of sample was done based on the most popular schemes that are working effectively were considered as per the interview with the officers of MAVIM, DUDO and DIC. This was based on the new schemes framed by the new government. Many of the above schemes were replaced by other schemes like Suvarna Jayanti Shahari / Grameen Yojana (SJSRY and SJGRY) was converted in to National Rural / Urban Livelihood Mission (NRLM / NULM) which Combined called as Maharashtra State Rural Livelihood Mission (MSRLM). Another scheme under MAVIM titled Ramai Mahila Sakshamikaran Yojana was replaced by

Tejaswini Scheme. A new scheme by DUDA/DRDA with MAVIM introduced Community Management Resource Centre (CMRC) was introduced in several locations of Sangli district. Thus, the schemes that are fully working in Sangli District were considered for survey.

List of names, address, and contact number of registered units from District Industry Units (DIC) / KVIB and KVIC were considered for the scheme PMEGP and SMS plan. The women entrepreneurs, who had registered earlier and are working during 2015 physical verification, this verification is done by the DIC/KVIB/KVIC every two years to understand whether the business is running or not. Thus, by getting the list of only that business run successfully were identified and stratified sampling was applied to identify the sample respondents.

## 5.2 Method of Sampling

Thus, based on the availability of the data Multistage Sampling method was used as follows:

**Table 5.2 - Sampling Method**

Multistage Sampling	Type of Sampling
MSRLM / SJRY	Random Sampling
PMEGP / SMS	Stratified Sampling
CMRC / MUDRA	Judgement Sampling

Source: Compiled By the Researcher

By applying Random sampling to the list provided by the agencies like DUDO for the scheme SJSRY & MSRLM; DRDO for the scheme MAVIM for providing loans to SJGRY SHG sample respondents were identified. For identifying sample from Tejaswini scheme which comes under CMRC which works in Miraj, Jath, Kavthemahankal, Tasgaon, Unkelkop, Shirala area was done with the help sahayoginis from every area and judgement sampling was applied for the same.

The collection of data was the toughest of all the works done for this research. Interview schedule were used to mark the opinion of the sample respondents. One by one schemes were chosen as per the sample number required for interviewing and survey was conducted. Due to the help obtained by the officials at every taluka and their recommendation to sahayoginis helped to locate the sample respondents of SJRY, MSRLM and Tejaswini easily as compared to obtaining data from PMEGP and SMS plan.

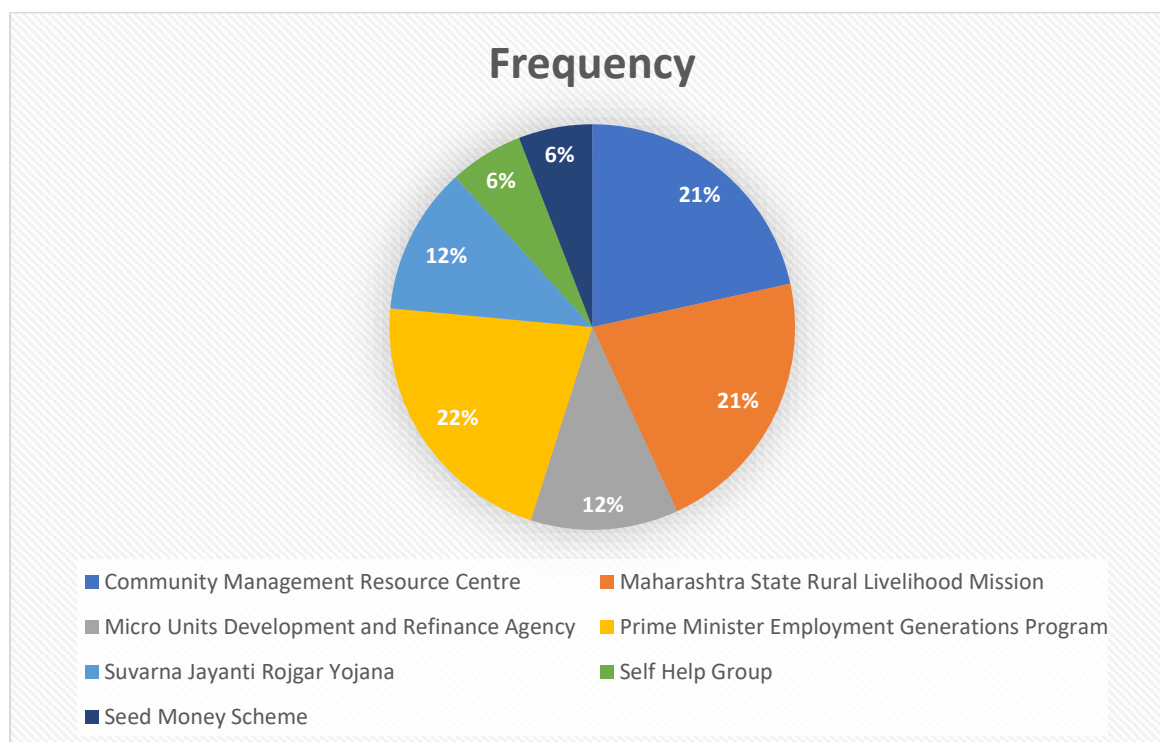
### 5.3 Evaluations enable better decision-making

Government at different points have come up with various schemes to provide a helping hand to improve the standard of human living. Especially government has sponsored various activities to motivate women to contribute to the nation's economic development and improve her current state of living. The women have opted various government agencies at some of time in their business either at the initial start phase or in middle of business as per their potential of the business. The various schemes that found to be very active in the study area were as follows.

**Table 5.3 Government Schemes Opted**

S No	Particulars	Frequency
1	Community Management Resource Centre	102 [22 %]
2	Maharashtra State Rural Livelihood Mission	102 [22 %]
3	Micro Units Development and Refinance Agency	54 [12 %]
4	Prime Minister Employment Generations Program	101 [22 %]
5	Suvarna Jayanti Rojgar Yojana	50 [11 %]
6	Self Help Group	29 [6 %]
7	Seed Money Scheme	30 [6 %]
	<b>Total</b>	468 [100 %]

Source: Compiled by Researcher



From Table 5.3 it can be observed that various agencies which support as per their objective set to help women entrepreneurs. As per the area covered (urban/rural) by them, as per its motto (central/state) government and by understanding the number forecasted by the

lead bank for the forth coming year the sample respondents from every agency were opted as sample. Thus, out of 468 respondents 102 respondents were the beneficiaries from CMRC, MSRLM; PMEGP (101); Mudra (54); SJRY (50); SHG (29) and SMS (30) were selected.

**Table 5.3 Effectiveness of the Scheme**

S No	Scheme Names	Range of CAGR	Rank
1	Community Management Resource Centre	(00-1.045)	3
2	Maharashtra State Rural Livelihood Mission	(0.104-1.598)	1
3	Micro Units Development and Refinance Agency	(-0.094-0)	7
4	Prime Minister Employment Generations Program	(0.059-1.045)	2
5	Suvarna Jayanti Rojgar Yojana	(0.258-0.534)	4
6	Self Help Group	(0.0596-0.1876)	6
7	Seed Money Scheme	(0.059-0.258)	5

Source: Compiled by Researcher

From table 5.1.3 we can understand the effectiveness of every scheme. With the help of Compound Average Growth Rate (CAGR) of every respondent, scheme was bifurcated and the result were as follows. Scheme named MSRLM obtained Rank 1 with larger CAGR, followed by PMEGP scheme which had larger CAGR. The third rank was obtained by CMRC. SJRY obtained 4<sup>th</sup> rank, SMS scheme with 5<sup>th</sup> rank. SHG's were on 6<sup>th</sup> rank and finally MUDRA with 7<sup>th</sup> rank.

Thus, from the above table it can be informed that MSRLM which was launched replacing Suvarna Jayanti Shahari and Grameen Yojana helped in having more successful business venture as compared to other schemes. PMEGP is another scheme which is promoted by many agencies like DIC, KVIB, KVIC, NGO has maximum CAGR thus helping women to have a profitable business. CMRC is another successful agency working under MAVIM in providing entrepreneurial assistance to women specially by having offices at six areas but works by appointing sahayoginis a women representative from the respective village for better access. SJRY was replaced by another scheme but the beneficiary till then opined their growth due to this scheme. MUDRA has a negative CAGR it is due to its intial stage in business. It was launched recently due to which will require some time to incept as per the requirement of the people and their business.

## VI. Hypothesis

### 6.1 Hypothesis 1:

H<sub>0</sub>: There is no significant relationship between government support and growth of women entrepreneurs.

H<sub>a</sub>: There is significant relationship between government support and growth of women entrepreneurs.

To study the effectiveness of government support, and to understand its merit, worthiness and value that it has created to its target customers. It also helps in understanding the gap between the demand of the end users and the governmental affairs. Since studying the effectiveness of a government scheme is an analytical process, and there is no one fixed format to measure its effectiveness. According to the rationality and objective of the program, the effectiveness measures has to be applied and interpreted how it works. There are various methods of identifying effectiveness like conducting audits for officials and society, outcome approach, policy feedback, beneficiaries grievances, social media feedback, surprise visits, performance based incentives etc.

- **Calculation of Effectiveness Index**

In this study the researcher has applied effectiveness index of house hold to understand the change occurred in women's life due to availing government scheme. Effectiveness is thus finding the positive change due to stated variables by standardizing in terms of the units of efforts taken. Thus effectiveness index is identified mathematically as follows.

$$\text{Effectiveness Index (EIH)} = \frac{\sum_{I=0}^p (IA - IE)}{\sum_{I=0}^p PI_i} \times 100$$

Where,

EIH = Effectiveness Index of the Household

IA = Total Income after the program participation

IE = Income before the program participation

PI= Total Program investment (Loan+Subsidy)

Thus, effectiveness index will help in evaluating the mechanism by monitoring, systematizing and grading the activities undergone through the various schemes, so that the officials can interpret the future needed things for increasing the effectiveness of the scheme and act accordingly.



- **Calculation of Compound Average Growth Rate (CAGR)**

Compound average growth rate is calculated to measure the growth over multiple time periods. It is calculation of growth rate by evaluating the initial investment to the ending investment assuming the investment has been compounding over a period of time.

Thus it calculated as

EV = Investment's ending value

BV = Investment's beginning value

n = Number of periods (months, years, etc.)

$$\text{CAGR} = \left( \frac{\text{Ending Value}}{\text{Beginning Value}} \right)^{\left( \frac{1}{\# \text{ of years}} \right)} - 1$$

Growth of women has been measured in terms of investment increased over a period of time. Hence CAGR based on initial investment, current investment and no of years in to business has been computed.

- **Correlation between EIH and CAGR**

The correlation between CAGR of women enterprise and Effectiveness Index of their enterprise EIH is computed through excel packages for all respondents i.e., 468. The result obtained was very negligible with  $r = 0.004$ .

Using Z-test  $Z = 0.088 < 1.96$

There is very small correlation between EIH and CAGR of women enterprise. There is no significant correlation with 95% confidence.

Thus  $H_0$ , there is no significant relationship between government support and growth of women entrepreneurs is accepted.

## VII. Conclusion

From the above research it can be understood that the women who have availed the government scheme are not having a good CAGR. The amount of time they have spent on the process of earning money is far more than what they have gained. The government should thus investigate these factors to understand the necessary additions required for the schemes to have more impact than what it is providing. The aim of these scheme is to provide financial assistance but there is a need of providing skill and other support which will enhance the growth of these women entrepreneurs to have a better growth than what they are now.

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