

# Empowering young Indian women through entrepreneurship development: opportunities and constraints

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Women's entrepreneurship can be a boon for sustainable utilization of resources, food security and employment generation. Women entrepreneurship can be defined as the process, in which she thinks to set up a business, gathering all the resources necessary to manage a business venture, provide employment to others and to make a profit along the way while minimising risk. It is a woman or group of women who initiate, organise and run a business enterprise. Kamal Singh, a female entrepreneur from Rajasthan, has defined a woman entrepreneur as "a confident, innovative and creative woman 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."

Womens' entrepreneurship can be broadly categorised as follows:

- **Affluent entrepreneurs:** These are women from families with well-established businesses with access to financial resources to start a new business.
- **Pull factor:** These are the well-educated urban women with or without work experience and take help from the commercial banks and financial institutions for establishing a new business.
- **Push factor:** These are the women who take on some business activity in order to overcome financial difficulties. Frequently they are single or widows taking responsibility for their own family business or to start a new business.
- **Rural entrepreneurs:** Typically choose a business which involves minimum investment, low risk, suiting their access to resources and knowledge.
- **Self-employed entrepreneurs:** Women that frequently have little education or that are living below the poverty line may choose tiny enterprises that are convenient to manage and adequate for the sustenance of their families.



## Functions of women entrepreneurs

**Innovation:** Imaginative approaches or original ideas. Introduction of new products in the market and introduction of a new production technology.

**Risk-bearing:** The function of the entrepreneur as risk bearer is specific in nature. The entrepreneur assumes all possible risk while starting a business which may include changes in the taste of customer, modern techniques in technology, competence with the existing market product etc.

**Organisational:** The entrepreneur provides an organizing function, bringing together various factor of production, ensures continuing management and rendering risk bearing functions.

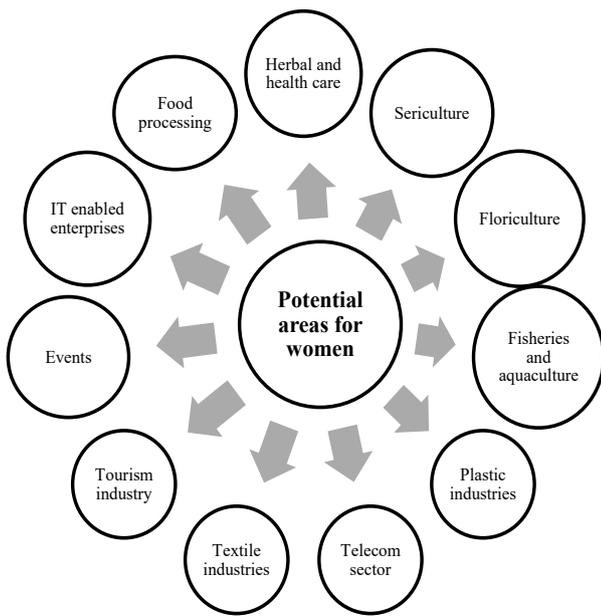
**Managerial:** Planning, coordinating, directing, staffing, motivating and controlling the enterprise, setting goals, analysing the market, planning production, sales and recruitment

**Decision-making:** Deciding on the development of the market for product sales, development of new products or changes to existing products, securing adequate financial resources and maintaining good relations with investors.

## Policies and schemes for women entrepreneurs in India

The Government of India has over several schemes for women operated by different departments and ministries (Vinesh, 2014). Some of these are:

- Integrated Rural Development Programme (IRDP).
- Khadi And Village Industries Commission (KVIC).
- Training of Rural Youth for Self-Employment (TRYSEM).
- Prime Minister's Rojgar Yojana (PMRY).
- Entrepreneurial Development Programme (EDPs).
- Management Development Programmes.
- Women's Development Corporations (WDCs).
- Marketing of Non-Farm Products of Rural Women (MAHIMA).
- Assistance to Rural Women in Non-Farm Development (ARWIND) schemes.
- Working Women's Forum.
- Women India's Trust (WIT).
- Indira Mahila Yojana.
- Indira Mahila Kendra.
- Mahila Samiti Yojana.
- Mahila Vikas Nidhi.
- Micro Credit Scheme.



- Rashtriya Mahila Kosh.
- SIDBI's Mahila Udyam Nidhi.
- Mahila Vikas Nidhi.
- SBI's Stree Shakti Scheme.
- NGO's Credit Schemes.
- Micro and Small Enterprises Cluster Development Programmes (MSE-CDP).
- National Banks for Agriculture and Rural Development's Schemes.
- Rajiv Gandhi Mahila Vikas Pariyojana (RGMVP).
- Priyadarshini Project- A programme for Rural Women Empowerment and Livelihood in Mid Gangetic Plains.
- NABARD SEWA Bank project.
- Exhibitions for Women, under promotional package for Micro and Small enterprises approved by CCEA under marketing support.
- Support to Training and Employment Programme for Women (STEP), India.

### Problems faced by women entrepreneurs in India

There are many problems faced by Indian women to get ahead their life in business. Some of them are given as follows (Kumar, 2006):

- Women often face barriers in accessing credit. India is traditionally a male-dominated society and some men may have the view that it is risky to finance women entrepreneurs.

- Similarly, commercial banks and financial institutions may doubt the skills of women and their entrepreneurial abilities. This is despite that, according to a report by the United Nations Industrial Development Organization (UNIDO), loan repayment rates are higher compare to men but still women face more difficulty in getting loans from banks (UNIDO, 1995b).
- Women in developing nations often have little access to funds, due to the fact that they are concentrated in poor rural communities with few opportunities to borrow money (Starcher, 1996; UNIDO, 1995a). To start up a new business there is need for adequate finance and women entrepreneurs lack working capital and suffer from inadequate funds due to their inability to provide tangible security.
- Family obligations can also be a barrier for women entrepreneurs in both developed and developing countries. Due to responsibilities for children and other dependents on women, it is difficult to devote their whole time and energies to their business (Starcher, 1996). Sometimes the financial restrictions demoralise women entrepreneurs on the belief that they can leave their business anytime and become housewives again. Therefore to start up a business they rely on their own savings and loans from their relatives.
- In India, many women give high emphasis to family and relationships. The business success depends on the support of the family to the women. For married women, the decision of further going into business may depend on the views of their in-laws.
- Women entrepreneurs may employ a greater number of office staff and intermediaries, which may affect the overall profitability of the business.
- Less access to knowledge of the latest technological changes and their applications may also create a problem for them (UNIDO, 1995 b).
- A higher aversion to risk and lack of self-confidence can also be factors affecting women's decisions to get into business. Although risk tolerance of women folk in day-to-day life is high compared to males, investing money, maintaining operations and ploughing back money for surplus generation needs a lot of courage and confidence.
- Fewer opportunities for education may affect confidence, success and advancement.
- The high capital cost, installation of new machinery, expansion of the productive capacity of some business operations may dissuades women entrepreneurs from venturing into new areas.

### Conclusion

Independence has brought the promise of equality of opportunity in all spheres to Indian women but for delivery of this promise there remains a need to boost women's empowerment. The role of women entrepreneurs is important in economic development. For the development and promotion of women entrepreneurship, there is a need for a

multi-dimensional approach with involvement of governments, financial institutions, commercial banks and last but not the least, the family members of women.

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