

Women entrepreneurship: Present position & future directions in India

Sampa Biswas

Department of Commerce, Rammohan College, Kolkata, West Bengal, India

Abstract

In the present day, women have been recognized as an indivisible part of the global struggle for a stable economy. Also in India women have recently become the symbol of change. Their role has been recognized and steps are being taken to promote women entrepreneurship in India. Women entrepreneurs have increased the economic liberalisation and globalisation. They can not only contribute to the GDP, but can also play a key role in addressing societal challenges. They are change makers in both family and also in the society. Women entrepreneurship must be moulded properly with entrepreneurial traits and skills to meet the changes in trends, challenges global markets and also be competent enough to sustain and strive for excellence in the entrepreneurial arena. However, the number of women entrepreneurs in India remains relatively low. So this paper unfolds the significance of women entrepreneurship and role of women entrepreneurs in Indian economy.

Keywords: women entrepreneurs, role in India, government policies, government schemes, barriers, empowerment

Introduction

Women Entrepreneurs may be defined as the women or a group of women who initiate, organize and operate a business enterprise. India's growth story has left behind a key demographic: women. Socioeconomic role of women goes unrecognised in India. Most women work as unpaid caregivers, household managers or in other home-based positions. Few women work outside the house. Despite better education and improved healthcare than before, women continue to face structural, social and economic barriers to paid employment. That limits their individual economic advancement and constrains India's social and economic progress. Potential of women remains as an untapped resource in India.

Reasons and Motivations for Women Entrepreneurship in India

1. Family culture and traditions
2. Geographical factors and social factors
3. Caste system – The caste system also influences as a women who is Sindhi may start a business at an early stage as in their caste or communities it is a trend.
4. Government aids and policies
5. Inherent capabilities and efficiency

Push Factors

- a. Death of bread winner
- b. Permanent inadequacy in income of the family
- c. Sudden fall in family income

Pull Factors

- a. Need and perception of Women's Liberation, Equity etc.
- b. To gain recognition, importance and social status.
- c. To get economic independence
- d. To utilize their free time or education
- e. Women's desire to evaluate their talent

Internal

Internal factors are very much important for the motivation which include creativity, respect, and happiness of other people.

Table 1: Women's entrepreneurial activity in India

Parameter	Value (%)
Female total early stage entrepreneurial activity (TEA)	7.6
Ratio of female/male TEA	0.6
Percentage of necessity driven women entrepreneurs	33.1
Percentage of opportunity driven women entrepreneurs	61.6
Percentage of Indian women having entrepreneurial intentions	16.7
Percentage of women established business activity	3.4

Source: Global Entrepreneurship Monitor Report on Women's Entrepreneurship 2016-17

Materials and Methods

This is an empirical study and the data is collected from the secondary sources of articles published in the journals, books on the themes of entrepreneurship and its allied areas, websites, census surveys and from the published reports of RBI and NABARD. Reports relating to entrepreneurship that come on the newspaper are also taken into consideration as a source of referral. The entire article is written descriptively and therefore, it is said to be descriptive research design.

Objectives of the Study

The study was planned with the following objectives:

1. To identify the reasons for low progress of women entrepreneurs in India.
2. To study major problems and challenges faced by women entrepreneurs in our country.
3. To highlight the policies, programmes, institutional networks and the involvement of support agencies in promoting women's entrepreneurship.
4. To reveal the role of women entrepreneurs in Indian economy in the next decade.

Categories of Women Entrepreneurs

Women Entrepreneurs can be categorized in three groups:

Upper Crust: This group consists of women are educated and professionally qualified. They usually head medium and large units.

Mid-Rung Entrepreneurs: This group consists of women who may not have educational or formal training in management but have developed practical skills required for tiny or small scale enterprises. They choose the products with which they are familiar e.g., handicrafts, garments, retail, beauty salons etc.

Grassroots Entrepreneurs: This group of women entrepreneurs works in cities and slums to help women with lower means of livelihood. There is a service motivated organization to assist economically backward section of society. Such entrepreneurs like Lizzat Papad and Sasa Detergents need government support in marketing and

getting finance at concessional rates.

Here are 8 stats that you need to know about women entrepreneurs in India of the 58.5 million entrepreneurs in India, nearly 14% are women. Indian women-owned businesses provide employment for 13.45 million people.

About 1/3 of Indian women entrepreneurs work in the agriculture sector, followed by manufacturing and retail trade. In 2017, only 2% of startup funding went to a woman founder. The top 10 fund raises of 2017 added up to \$8.5 billion. The top 10 fund raises by a female-led startup accounted for only \$136 million.

A 2015 study by McKinsey Global Institute shows India's GDP could rise by between 16%-60% by 2025 if women participated equally with men in the economy.

30% of India's tech workforce is female. Although, 51% of entry-level jobs in India's IT and BPM industries are women, indicating that women are leaving at junior and mid-levels. Radhika Aggarwal of e-commerce marketplace Shop Clues made history as India's first female co-founder of a billion-dollar company.

Table 2: Overview of women entrepreneurs in India

Total number of establishments owned by women entrepreneurs	8,050,819
Rural establishments owned by women entrepreneurs	5,243,044 (65.12Percent)
Urban establishments owned by women entrepreneurs	2,807,775 (34.88Percent)
Women owned establishments without hired workers	6,697,354 ((83.19Percent)
Women owned establishments with hired workers	1,35,3465 (16.31Percent)
Women owned agricultural establishments	2.76 Million (34.3Percent)
Women owned nonagricultural establishments	5.29 Million (65.7Percent)

Source: All India report of Sixth economic census 2016

Present Position of India in Global Perspectives

Women labour force participation rate in India was just 27 percent in 2017, about one-third that of men. By that measure, India ranks 120th among 131 countries, according to data from the World Bank. According to the Sixth Economic Census conducted in 2014, only about 14 percent of Indian women own or run businesses. More than 90 percent of women run enterprises are microenterprises, and about 79 percent are self-financed. Annette Dixon, the World Bank's vice president for South Asia, said in a speech in March of last year that women account for just 17 percent of GDP in India, less than half the global average. She estimated that the annual pace of economic growth in India would rise by 1.5 percent to about 9 percent, if even half of Indian women were in the labor force.

The World Economic Forum's Global Gender Gap Report 2018 ranks 149 countries on the basis of four measures: economic participation and opportunity, educational attainment, health and survival, and political empowerment. India ranks 108th overall, with particularly low scores on two measures: health and survival and economic participation. India ranked 52 among 57 countries in the 2018 Master card Index of Women Entrepreneurs, ahead of Iran and behind Tunisia. It looks at things like financial access, advancement outcomes, and ease of doing business. Out of 432 million working age women in India, about 343 million are not in paid formal work. Approximately, 324 million of these women are not in the labour force; and 19 million are in the labor force but not employed. Women's labour force participation rate (LFPR) in India, though among the lowest in the world, continues to decline.

The decline of working women between the ages of 15 and 24 may be partially due to an increased focus on education. The secular decline and recent stagnation in participation rates for women between 25 and 64 is alarming.

Ironically, women who are actively participating in the workforce are 2.9 times more likely than men to be unemployed. Additionally, as per a 2019 study by the Centre for Monitoring India Economy (CMIE), women graduates are more than 3.5 times more likely than their male peers to be unemployed. Overall unemployment in India is 7%, but unemployment among women is 18%. In addition, unemployment for women with a tertiary education is even worse.

Barriers in the Path of Women Entrepreneurs in India

There are many barriers or constraints that restrict the expansion of women entrepreneurship.

The major barriers in the path of women entrepreneurs are as follows

1. Problem of Finance: However, women entrepreneurs suffer from shortage of finance on two counts. Firstly, women do not generally have property on their names to use them as collateral for obtaining funds from external sources. Secondly, the banks also consider women less credit-worthy and discourage women borrowers on the belief that they can at any time leave their business.

2. Production Problem: The data shows that the participation of women entrepreneurs in the production is minimal due to complications involved in the production

process.

3. Marketing Problem: Lack of mobility and heavy competition in the market makes the women entrepreneurs dependent on middlemen. Middlemen take a huge amount of money to market the products.

4. Socio-Cultural Barriers: Women has to perform primarily her family duties irrespective of her career as a working woman or an entrepreneur. In our society, more importance is given to educate a male child than a female child which results in lack of education and vocational training of women. Our society even gives more preference to male labor than to female labor. A male labor is paid more wages than a female labor. It is ascertained that male labor force are generally reluctant to work under a female boss.

5. Lack of Confidence: Women have been dependent on their family members for a long time. Right from taking any decision to going anywhere they are accompanied by male. This makes women feel less confident even about their own capabilities. Despite these all barriers women entrepreneurs have proved themselves in all the walks of industrial activities.

6. Low Risk-Bearing Ability: Women in India lead a protected life. They are less educated and economically not self-dependent. All these reduce their ability to bear risk involved in running an enterprise. Risk-bearing is an essential requisite of a successful entrepreneur.

7. Networks and relationships: Masculine corporate cultures are one of the most-cited barriers to women's leadership. Women tend to feel alienated in this culture and this explains why women entrepreneurs do not feel comfortable in prominent industry networks.

8. Child care: Some women entrepreneurs live with or close to the grandparents, who can look after the kids. However, those who are less fortunate, struggle with a lack of options for child-care. Some women consider hiring nannies, but again, negative perceptions come into play, these mothers are seen as "selfish" and are made to feel guilty by their peers.

9. Safety in Work and Public Spaces: Finally, safety at the workspace as well as during commutes between the office and home is an issue in India. The perception of danger reinforces social norms, which restrict women's mobility and thereby, their economic participation and freedom. The World Bank estimates that 75% of working-age women (35% of India's working-age population) are not in paid formal work. Only 59% of women can use mobile phones, with a low internet penetration rate of 19%. Only 35% of women can actively use their bank accounts. These are limiting their opportunities. Finally, although women represent 42% of the agricultural labour force in India, they own just 2% of farmland.

Role of Government to Develop Women Entrepreneurs in India from 'Welfare' to 'Development' to 'Empowerment' Approaches in Five Year Plans: The First to Fifth Five Year Plans treated the uplift of vulnerable

and marginalized groups as 'Welfare'. In the 6th Plan, the approach was shifted from 'welfare' to 'development. In the 7th Plan (1985-90), for the first time, emphasis was placed upon the Development Programmes for Women to raise their economic and social status in order to bring them into the mainstream of national development. The Eighth Five-Year Plan (1992-97) focused on empowering women, especially at the Grass Roots Level, through Panchayati Raj Institutions. The Ninth Five-Year Plan (1997-2002) adopted a strategy of Women's Component Plan, under which not less than 30 percent of funds/ benefits were earmarked for women related sectors. Empowerment of women gained priority in the development agenda of Tenth Five Year Plan (2002 - 2007) through translating the recently adopted National Policy for Empowerment of Women (2001) into action and ensuring Survival, Protection and Development of women and children through rights based approach. In the Eleventh Plan 2007 -2012), for the first time, women are agents of economic and social growth. Twelfth Five Year Plan (2012-2017) has focused on certain key strategies for women's agency like (i) Economic Empowerment; (ii) Social and Physical Infrastructure; (iii) Enabling Legislations; (iv) Women's Participation in Governance; (v) Inclusiveness of all categories of vulnerable women, (vi) Engendering National Policies/ Programmes.

At present, the Government of India has over 27 schemes for women operated by different departments and ministries.

Some of these are

1. Association of Women Entrepreneurs of Karnataka (AWAKE)
2. Federation of Indian Women Entrepreneurs (FIWE)
3. Self-Help Groups (SHGs)
4. Mahila Udyog Nidhi (MUN)
5. The Trade Related Entrepreneurship Assistance and Development (TREAD)
6. Bank of India's Priyadarshini Yojana
7. Swarna Jayanthi Gram Swarozgar Yojana
8. Rashtriya Mahila Kosha
9. Other Schemes
10. Mahila Udyog Nidhi
11. Stree Shakti Package

In addition to the above assistance, women entrepreneurs are also entitled to financing under other government sponsored schemes where capital subsidy is available and the rate of interest is much lower. They are:

- a. Indian Mahila Kendra
- b. Mahila Samiti Yojana
- c. Mahila Vikasnidhi
- d. Indira Mahila Yojana
- e. Working Women's Forum
- f. Women's Development Corporations
- g. Marketing of Non-Farm Products of Rural Women
- h. Assistance to Rural Women in Non-Farm Development Schemes
- i. Prime Minister's Rozgar Yojana (PMRY)
- j. Self-Employment Programme for Urban Poor (SEPUP)
- k. Integrated Rural Development Programme (IRDP)
- l. Women Entrepreneurial Development Programmes (WEDPs)
- m. Marketing Development Fund for Women Entrepreneurs (MDFWE)
- n. Micro Credit Scheme (MCS)

Industrial Estate for Women Entrepreneurs: The Andhra Pradesh State Government has supported for setting up industrial estates exclusively for women in three districts.

These industrial estates are developed for

(a) setting up electronics, printing, garments, food processing, bio-technology, handmade paper, small engineering units, accessories, etc. (b) export-oriented businesses like mushroom processing, computer hardware and software, etc. and (c) Software Technology Park for women within the industrial estate.

In recent years, women are recognised on the national economic agenda. Both public and private entities have launched a wide range of initiatives to promote women entrepreneurship. Some of which with significant scope are as follow:

- Recent policy of the Ministry of Micro, Small and Medium Enterprises mandates that ministries, departments and public sector undertakings must target 25% of their procurement from the MSME sector, of which 3% must be women owned.
- In 2018, Telangana's government launched WE Hub, an initiative to promote women-owned enterprises by providing access to capital, infrastructure, marketing and legal services, mentorship, and technical support. This programme has incubated 25 start-ups, with 16 benefitting from loans up to INR 2 crore.
- The women-run Mann Deshi Foundation's successful finance and skills development project for rural women entrepreneurs gives result in INR 500 crore in aggregate financing for 90,000 rural women, the establishment of more than 50,000 micro businesses and participation of 4 lakh women in their business schools and chambers of commerce programmes.
- TiE Global in partnership with the US Embassy, New Delhi and Consulates has officially launched AIRSWEEE 2.0. TiE Global's marquee program for women economic empowerment through entrepreneurship in Tier 2 and 3 cities in India. 575 women entrepreneurs have directly enrolled in a coaching and mentorship programme across 106 cities in 20 states in India so far. AIRSWEEE has established a pay-it-forward culture through which these mentees have further mentored an additional 2,500 plus women.
- SHEROES a women-only platform built out of India offers high trust, high empathy content, connections and commerce. It is particularly aligned to using internet as a tool for change, especially for women in high gender gap countries offering a space for appreciation, recognition, growth and interactions. SHEROES platform has 16 million members.
- Further, there is a huge opportunity to expand and sharpen the role of the government in transforming the entrepreneurial landscape for women in India through a comprehensive and coordinated effort.

Suggestions for Development of Women Entrepreneurship

The recommendations to help the women to participate in entrepreneurial activity are as follows:

1. Female fetus should not be aborted and given preference.
2. Girls should be imparted education and be given equal rights in nutrition, education, training and skill building activities and in employment.

3. Along with the fact that they should be given equal right in employment they should be paid equally for equal work done.
4. Women should be given freedom to invest in properties and sharing of income.
5. Private agencies and firms should provide them loans without any partiality and on lower rates, if possible, after legal formalities and search for authenticity.
6. Family members should always encourage and assist the female entrepreneurs to grow.
7. Male hostilities should be overcome.
8. Ensuring the availability of affordable child care and equal treatment at the work place
9. Creating government offices for women's business ownership with the responsibilities of providing women's business centers, organizing information seminars and meetings, and providing web-based information to those wanting to start and grow a business.
10. Promoting the development of women entrepreneur networks
11. Evaluating periodically the impact of SME-related policies on the success of women-owned businesses and the extent to which such businesses take advantage of them.

Conclusions and Recommendations

Accelerating quantity and quality of women entrepreneurship can create more than 30 million women-owned enterprises, of which 40% can be more than self-employment. It can generate 150–170 million jobs, which is more than 25% of the new jobs required for the entire working age population, from now until 2030.

Despite constituting around 45% of the Indian population, the economic participation of women is very limited in India. It is evident that women face numerous challenges in the course of their entrepreneurial career. Despite various supportive measures of the government, women entrepreneurship in India remains alarmingly low. Majority of the women owned establishments are concentrated in unregistered sector and hence are unable to reap the benefits of government support. It can be said that today we are in a better position wherein women entrepreneurship is increasing at a considerable rate. But unfortunately, the government sponsored development activities have reached to only a small section of women i.e. the urban middle class women.

Since the 21st century, the role of Indian women has been changing because of growing industrialization and urbanization. More and more women are going for advanced, professional and technical education. Women entrepreneurship is concentrated in five states namely Tamil Nadu, Kerala, Andhra Pradesh, West Bengal and Maharashtra. The policy and interventions of these states needs to be explored so that the best practices can be followed in other states. Women entrepreneurship is a diverse and complex domain which requires extensive and intensive research endeavours for decoding its dynamics.

Women are likely to be great networkers, have inherent competencies for bargaining, and are capable to multi-task. By creating a strong business network, maintaining a balance between work and life, getting inspiration from other successful women entrepreneurs, and, by keeping them updated, women entrepreneurs can attain new heights

of success in India.

References

1. The 2015 Female Entrepreneurship Index. Global Entrepreneurship and Development Institute, July 2015, which is a composite score of three indices covering the entrepreneurial environment, the support ecosystem and entrepreneurial aspirations.
2. All India Report of Sixth Economic Census of India, 2016. Retrieved from <http://www.mospi.gov.in/allindia-report-sixth-economic-census>
3. Annual Report. Ministry of Micro, Small and Medium Enterprises, Government of India, 2019. Retrieved from <https://msme.gov.in/sites/default/files/MEME%20ANN%20UAL%20REPORT%202015-16%20ENG.pdf>
4. Dhaliwal S. "Silent Contributors: Asian Female Entrepreneurs and Women in Business", *Women's Studies International Forum*. 1998; 21(5):469-474.
5. Robinson S. "An examination of entrepreneurial motives and their influence on the way rural women small business owners manage their employees", *Journal of Developmental Entrepreneurship*. 2001; 6(2):151-167.
6. Malyadri G, DGM. Role of women Entrepreneurs in the Economic Development of India. *Paripex - Indian Journal of Research*. 2012; 3(3):104-105.
7. Master card Index of Women Entrepreneurs (MIWE) 2018. Master card, 2018.
8. Birley S. Female entrepreneurs: Are they really different? *Journal of Small Business Management*. 1989; 27:32-37.
9. Goyal P, Yadav V. To be or not to be a woman entrepreneur in a developing country? *Psychosociological Issues in Human Resource Management*. 2014; 2(2):68-78.
10. "Unemployment in India: A Statistical Profile, May-August 2019." CMIE.
11. "Women and Men in India (A statistical compilation of Gender related Indicators in India) 2018." Central Statistics Office, Ministry of Statistics and Programme Implementation, Government of India, 2019.