

Women Entrepreneurship Development in India: Prospects and Challenges

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Abstract

Women's entrepreneurship is critical for all countries. If we wish to compete with developed countries, men and women must participate equally in all activities. Women's entrepreneurship is a growing notion these days, offering the world a new definition. Women are demonstrating their potential in various sectors, competing on an equal footing with men. Women's entrepreneurship is becoming more popular in India, especially among the younger population. The government's policies and institutional framework for fostering entrepreneurial skills and vocational training have broadened the scope of women's economic empowerment. In order to give skill training, vocational education, and entrepreneurial development to the developing labour force, the Indian government created the National Skill Development Policy and National Skill Development Mission in 2009. Although there are many successful women entrepreneurs in India in both social and economic spheres, women still account for barely one-third of all economic firms. Women's entrepreneurship is not solely the responsibility of the government; other members of society must share the burden. Women are described as expressions of Shakti in Hindu religion in India. This study attempts to focus on the issues and problems that women entrepreneurs encounter, as well as to analyze government regulations and problems that they confront when starting a firm.

Keywords: Women's entrepreneurship, Skill Development, Policy, Vocational training.

1.0 Introduction

Women entrepreneur means that part of the female population who are engaged in adventure activities in industrial activities. (Deshpande, S., & Sethi, S. (2009). Women entrepreneur is said to be the entrepreneur who, being the owner of an undertaking, controls it and is holding 51 percent share in the capital of the undertaking and the number of women employees working in the undertaking is at least 51 percent. Gautam, R. K., & Mishra, K. (2016).

In the 21st century, women have not only registered their role in earning money but have also changed the nature of agents creating future organizations. In recent years, women have made unprecedented progress in every sphere of life. Koneru, K. (2017). Over the past three decades, women have achieved significant success in the corporate world, overcoming the constraints

of social ethics and proving themselves to be successful entrepreneurs and working professionals at home and in the workplace. Indian women entrepreneurs have presented many examples of better performance in starting and successfully running new ventures (Kumar, D. 2014).

Women have certain innate and natural qualities that make them successful leaders. The ability of women to perform diverse tasks is a remarkable feature which is readily reflected in the workplace especially at the senior management level, focusing on a single goal where individual has to shoulder a variety of responsibilities and initiatives. (Vaish, R., & Arrawatia, M. A. 2021). The priority has to be set continuously. India is passing through a transition period of economic development, so there are huge opportunities available for the participation of women in the field of entrepreneurship. (Bahl, J. 2012).

2.0 Concept of women Entrepreneur

At present the whole world is working towards inclusive prosperity. In such a situation, our ideal priority should be that fifty percent of the country's progress and development should be invested in women. Business is one such sector that can contribute to the empowerment of women. For this it is necessary to work towards skill development among women. (Patil, P., & Deshpande, Y. 2018) There is a need to create such a blueprint so that women can move from the starting level employee to the level of corporate management. The patriarchal Indian society, even today, is plagued by prejudices about women's abilities and their work abilities to such an extent that it discourages their efforts to innovate. (Bosma, N. S., & Levie, J. 2010) Even in spite of various government policies, women entrepreneurs do not get loans easily from banks and other financial institutions. A recent study conducted on more than thirty one hundred women and men in the country found that women are far ahead of men in terms of transparency, empathy and problem solving. They have more creative thinking than men. Their communication and their views on the related problem are much more settled. If despite all these merits, women are struggling for 'startups', then it is certain that the scope of social and cultural restrictions on them is very wide, and this is confirmed by a research done by Facebook. (Raheja, S. 2021) According to research, every four out of five women in the country have the potential to become entrepreneurs, provided better efforts are made for their empowerment. Women have admitted in this study that due to family responsibilities; they are not able to openly engage in professional activities. Women consider paucity of funds as a major obstacle in entrepreneurship. At the same time, there is a large part of such women who want to do business but they lack proper information. In this study, women have acknowledged the lack of knowledge about the startup scheme. (Sharma, S. 2018)

3.0 Entrepreneurship and Women in India:

3.1 Under-representation of women entrepreneurs: Despite India's remarkable economic progress in recent decades, the number of female entrepreneurs remains extremely low. Only 20% of Indian businesses are owned by women (which employ 22 to 27 million people directly), and the COVID-19 pandemic has had a particularly negative impact on this group of women entrepreneurs.

3.2 Representation of women in startups: Only 6% of women are the founders of Indian startups. Only 5% of funding could be raised by startups with at least one female co-founder between 2018-2020, and startups with only one female co-founder could receive only 1.43% of total investor funding.

3.3 Sectoral representation: In terms of equity business ownership, the share held by women in India's manufacturing sector (mainly related to paper and tobacco products) is more than 50%. However, in industries related to computers, motor vehicles, metal products, machinery and equipment, women account for 2% or less.



STATISTICAL DATA OF WOMEN ENTREPRENEURS IN INDIA

States	No of Units Registered	No. of Women Entrepreneurs	Percentage
Tamil Nadu	9618	2930	30.36
Uttar Pradesh	7980	3180	39.84
Kerala	5487	2135	38.91
Punjab	4791	1618	33.77
Maharashtra	4339	1394	32.12
Gujarat	3872	1538	39.72
Karnataka	3822	1026	26.84
Madhya Pradesh	2967	842	28.38
Other States & UTS	14576	4185	28.71
Total	57,452	18,848	32.82

From wikipedia.org

23

Source: www.wikipedia.org

4.0 Status of Women Entrepreneurship in India

4.1 Report by Dell and Global Entrepreneurship and Development Institute (GEDi)

- India was ranked 16th/17th, barely ahead of Uganda, in a poll done by Dell and the Global Entrepreneurship and Development Institute (GEDi). Turkey, Morocco, and Egypt have all outperformed India in recent years.

4.2 IMF data

- Only about 16 percent of Indian women prefer to own or run a business, according to the IMF's Economic Census.
- Micro enterprises account for more than 90% of women-owned businesses, with 79 percent of them being self-funded.

4.3 Limited role

- Women's entrepreneurial roles in large-scale sectors and technology-based firms are currently limited. Women, on the other hand, are underrepresented in small-scale industries.

- Women own only 11 percent of micro and small businesses, and only 9.46 percent of them are managed by women, according to the 3rd All India Census of Small-Industry.
- Women's engagement has increased during the previous decade.

5.0 Importance of bringing women into entrepreneurship

5.1 Economic growth:

- Women can start a new business which may create a different market than their male counterparts.
- Enabling women spend more time on the education and health of their children, which leads to increased productivity.

5.2 Bridge the gender gap:

- Women entrepreneurs encourage other women to start firms, resulting in more jobs for women and helping to close the gender gap in the workforce. Closing the wage gap between men and women will boost global income.

5.3 Safety at Work place:

- Building and preserving a strong positive company is a prerequisite for the growth and long-term success of any company.
- According to various studies, a company led by women also has a better company culture, higher values and transparency.
- As women struggle to maintain work-life balance, it has been observed that women-led organizations are more sensitive to security issues.

6.0 Government schemes for women entrepreneurship

The Indian government has a variety of effective programmes to help women entrepreneurs succeed. These programmes are provided throughout the country, in both urban and rural locations. The government has put in place programmes to increase national health, wealth, and women's empowerment. The current female contribution to India's GDP is one of the lowest in the world, reflecting the fact that women make up only 25% of the country's workforce. According to the analysis, boosting women's engagement in the labour force by 10% points might unlock more than 70% of the potential GDP opportunity. According to a 2018 report by MC Kinsey, India has one of the world's largest opportunities to boost GDP by advancing women's equality. By 2025, GDP would have increased by \$770 billion. (Tyagi, N., Sharma, R., & Jain, P. 2021)

According to the sixth economic census provided by the ministry of statistics and programme implementation, women account for almost 14% of India's overall entrepreneur base, or 8.05 million out of a total of 58.5 million. The average number of persons employed by a woman-owned business is only 1.67. India has an abundance of unique ideas and imaginative solutions to a variety of issues. However, the number of female entrepreneurs and business owners is far fewer than the number of male entrepreneurs. According to data from startup India, women account for only 13.76 percent of all entrepreneurs in India. Female entrepreneurs number over

8 million, while male entrepreneurs number over 50 million. (Vaish, R., & Arrawatia, M. A. 2021).

MINISTRY OF FINANCE

Schemes under Ministry of Finance
which have benefitted the women in India

STAND-UP INDIA
Endeavour and prosper

- promotes entrepreneurship at grass root level for economic empowerment and job creation
- facilitate bank loans between Rs.10 lakh and Rs.1 crore to at least one Scheduled Caste (SC) or Scheduled Tribe (ST) borrower and at least one woman borrower per bank branch of SCBs for setting up a Greenfield enterprise.
- more than 81% account holders are women (As on 17.02.2020)

PMJDY

- The scheme as extended and revised with effect from 14.08.2018, envisages universal access to banking facilities with at least one basic banking account for every household, financial literacy, access to credit, insurance and pension
- 20.33 cr. account holders (53%) out of 38.13 cr. PMJDY account holders are women. (As on 19.02.2020)

MUDRA

- providing loans up to 10 lakh to the non-corporate, non-farm small/micro enterprises
- MUDRA has created three products namely 'Shishu', 'Kishore' and 'Tarun' to signify the stage of growth / development and funding needs of the beneficiary micro unit / entrepreneur and also provide a reference point for the next phase of graduation / growth
- 70% of the total loan borrowers are Women (As on 31.01.2020)

FinMinIndia **@Finminn.goi** **www.finmin.nic.in**

Source: www.finmin.nic.in-

7.0 Problems of Women Entrepreneurs in India

Women entrepreneurs have greater challenges than men. They must deal with both general entrepreneurial issues and issues that specifically affect women. In their efforts to grow their businesses, women entrepreneurs encounter numerous challenges. The issues that women confront at various stages of their business, beginning with the start-up and ending with the operation. Women entrepreneurs in Europe encounter hurdles, according to Pardo-del-Val (2010), due to a lack of information, insufficient training and experience, and family obligations. According to Viju Mathew, key hurdles for women in the Middle East include a lack of education, skills, seriousness in undertaking a career, exposure, and social network, as well as social conventions and suppressed conditions (2010). According to Ganesan et al., the most difficult areas for women entrepreneurs are working capital, equity funding, and marketing (2002). Some of the concerns and challenges that women entrepreneurs confront are as follows: -

7. 1 Financial constraints: Every business's lifeblood is finance. The company requires both long and short-term financing. They must furnish collateral security in order to obtain loans and advances from financial institutions. However, most women do not own property, which inhibits them from obtaining riches from other sources. Banks also view women as less creditworthy and discourage female borrowers because they believe they can abandon their

business and return to being a stay-at-home mom at any time. Women entrepreneurs are forced to rely on their savings and loans from friends and family in these conditions. The amount of such finance is frequently insignificant, causing women-owned businesses to collapse.

7.2 Over-dependence on middlemen: For the most part, women entrepreneurs rely on middlemen to distribute their goods. A significant portion of their revenues is taken by these intermediaries. Women entrepreneurs may be able to cut out intermediaries, but this will take additional funds and a lot of travel. Women entrepreneurs have a hard time breaking into the market and popularising their products.

7.3 Family relations: Women's entrepreneurship is often hampered by family commitments. In India, it is primarily the responsibility of women to care for their children and other family members. Humans play a minor part in these situations. Married women must achieve a nice balance between their business and their family. His success is largely dependent on his family's support. The educational level of the husbands and the family's occupational history have a direct impact on the development of women's entrepreneurship.

7.4 Lack of education: In India, around 60% of women are still illiterate. The primary cause of socioeconomic problems is illiteracy. Women are unaware of commercial tactics and markets due to a lack of education. It also diminishes women's motivation to succeed. As a result, a lack of knowledge makes it difficult for women to start and maintain businesses.

8.0 Women Entrepreneurship Challenges in India

8.1 Social outlook: It is one of the most significant impediments to women's business. Despite the fact that the constitution guarantees equality to both men and women, women face rampant discrimination. Women are not regarded equal to men in a male-dominated society. Women have a lot of potential, but they don't get enough training. There is a widespread assumption that a girl's expertise is lost once she marries. As a result, the girls continue to assist in agriculture and handicrafts, despite the fact that inflexible social attitudes hinder them from being successful and self-sufficient businesses.

8.2 Lack of Confidence – Women are unsure of their own strength and potential. Family and society are hesitant to support their entrepreneurial endeavors. When it comes to oneself, women are quite critical of themselves: can I really do it, am I good enough, do I need to study more, and are other people better at it? Many successful women attend solely females' universities and institutions, which frequently provide a safe atmosphere for them to test their personal talents, learn to overcome deficiencies, and feel proud of themselves.

8.3 Market Oriented Risk - Due to fierce market rivalry and women's limitation of mobility, women entrepreneurs would inevitably rely on middlemen. Another reason is that women entrepreneurs are less likely to have managerial experience. To carry out the marketing and sales side of the firm, they must rely on office workers and middlemen in particular.

8.4 Motivational Factors - Self-motivation can be achieved by having a positive mindset for a successful business, having a risk-averse mentality, and pursuing social duties in the business world. The achievement motivation of female members was shown to be lower than that of

male members. Women who engage in business operations and care about business have lower levels of performance and advancement due to a lack of education and self-confidence.



Source: *The Economic Times*

9.0 Steps taken to solve the problems of women entrepreneurs:

9.1 Finance Cells - All commercial banks and financial institutions should establish special cells to provide simple financing to women entrepreneurs. Women must be in charge of these cells. Efforts should be made to provide financing on a local level and at low interest rates.

9.2 Marketing Co-operative Societies - Cooperatives like these encourage women to start businesses and sell their products both in India and overseas. They will be able to cut out the middlemen and obtain better costs. When purchasing their needs, the federal and state governments should prioritize women businesses.

9.3 Supply of Raw Materials - Women entrepreneurs should be given priority access to rare and imported raw materials. Subsidies may also be granted to help them compete with their competitors' products.

9.4 Training - Women entrepreneurs require training in various aspects of entrepreneurship. Part-time training facilities will be more convenient.

9.5 Social Support - Support from family, neighbors and women's associations is essential to encourage and support women entrepreneurs. Self-help groups can be a great support system.

9.6 Education and Awareness:

To modify the unfavorable or hostile attitude toward women, intensive educational and awareness activities should be organized. Elders' attitudes, particularly those of senior women, whether mothers or mothers-in-law, should be cognizant of daughters' potential and proper roles in society. These people's social outlooks need be improved in order for women entrepreneurs to make development in their businesses.

10.0 Conclusion

Promoting women entrepreneurship necessitates a multi-pronged approach including a variety of stakeholders, including the government, financial institutions, expert groups, trade and

industry associations, and, most significantly, successful female entrepreneurs. Despite all the efforts made for women empowerment, women are facing undeniable struggle in all spheres of life and work and still patriarchy has not ended. For India to become a \$5 trillion economy, entrepreneurship by women should play a big role in its economic development. India's gender balance is one of the lowest in the world and improving it is important not only for gender equality but for the entire economy. Women today are competing to expand their God-given quality of being a problem solver and convert it into a wide range of opportunities to become self-reliant as well as financially and emotionally self-reliant. When women move forward, so do families, villages and eventually the nation. Women can now be seen in every field of business by overcoming all kinds of obstacles. Supporting institutions are crucial in developing and supporting aspiring entrepreneurs in the right path. Women entrepreneurs must be adequately molded with entrepreneurial traits and talents in order to meet changing trends and tough global marketplaces, as well as be capable of sustaining and succeeding in the local economic arena.

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