

Women Entrepreneurship: A milestone for uplifting the Indian Economy

Ms. Charu Mani, Dr. Sunita Bharatwal

*Research Scholar, Department of Management Studies, Chaudhary Bansilal University,
Bhiwani (Haryana), India*

*Professor, Department of Management Studies, Chaudhary Bansilal University,
Bhiwani (Haryana), India*

Charu.mani9@gmail.com

sunita_bharatwal@rediffmail.com

Abstract

Women Entrepreneurship is of pivotal importance to the Indian economy for several compelling reasons. Firstly, it contributes significantly to economic growth. Women-owned businesses are diversifying the economic landscape, bringing fresh ideas, and driving innovation across various sectors. This diversification reduces reliance on traditional industries and enhances economic resilience. Women entrepreneurs are instrumental in job creation. Their enterprises not only provide employment opportunities for themselves but also for a diverse workforce. This job generation helps alleviate unemployment concerns and raises the overall standard of living. These businesses often target underserved markets and prioritize social and environmental sustainability, thus ensuring that economic benefits are distributed more equitably across society. This inclusive growth reduces economic disparities and contributes to social development. Moreover, women entrepreneurs play a vital role in foreign exchange earnings. Many engage in international trade, promoting Indian products and services globally, which in turn bolsters the nation's economic standing. Furthermore, women's entrepreneurship empowers women themselves. It provides them with financial independence, decision-making authority, and a platform to challenge societal norms. This empowerment extends beyond the business realm, fostering gender equality and breaking down traditional barriers. However, it is essential to address the challenges that women entrepreneurs face, such as limited access to capital, gender bias, and work-life balance issues. Policy support, access to finance, mentorship programs, and an inclusive business ecosystem are crucial in harnessing the full potential of women entrepreneurship, ensuring a more vibrant, diverse, and resilient Indian economy for the future.

Key words: *Women Entrepreneurship, Challenges, Supportive Policies*

Women Entrepreneurship

Women entrepreneurship refers to the involvement of women in starting, managing, and growing businesses or ventures. It represents the increasing participation of women in entrepreneurial activities and the pursuit of their own business goals and aspirations.

Women entrepreneurship has gained significant attention in recent years due to its potential economic, social, and cultural impact. Historically, women have faced numerous barriers and challenges in pursuing entrepreneurship, including societal biases, limited access to resources and networks, and gender-based stereotypes. However, there has been a growing recognition of the importance of women's participation in entrepreneurship and the need to create an inclusive and supportive environment for women entrepreneurs.

In furtherance with the concept of entrepreneurship, women entrepreneurs are defined by the Government of India as an enterprise, owned and controlled by women, with a minimum financial interest of 51% in the capital and giving at least 51% of employment generated in the enterprise to women.

The Government of India recognizes the importance of promoting and supporting women entrepreneurship as a means to empower women, drive economic growth, and foster gender equality. Various initiatives and policies have been implemented to encourage and facilitate the participation of women in entrepreneurial activities. These initiatives aim to provide women entrepreneurs with access to financial resources, business development services, networking opportunities, skill development programs, and mentoring support.

The definition set forth by the Government of India emphasizes the importance of women's ownership and control in enterprises, ensuring that women have substantial financial and managerial influence in their businesses. This definition recognizes that women entrepreneurs have the ability to create employment opportunities for other women, contribute to economic development, and challenge traditional gender roles in business and society.

By defining women entrepreneurs and setting specific criteria for their classification, the government aims to create a framework that enables the identification, support, and promotion of women-led businesses. This definition also facilitates the implementation of targeted policies, programs, and initiatives aimed at empowering women entrepreneurs, addressing their unique challenges, and promoting their participation in various sectors of the economy.

The definition of women entrepreneurs by the Government of India reflects a commitment to gender equality, inclusivity, and the recognition of the significant contributions women can make to entrepreneurship and economic growth. It serves as a guiding framework for policy formulation, resource allocation, and support mechanisms to foster an enabling environment for women's entrepreneurship in the country.

The combination of push and pull factors influences women to venture into business activities, seeking economic independence, personal fulfillment, and the opportunity to create a positive impact on their families and society as a whole. By addressing the challenges and providing support for women entrepreneurs, societies can harness their potential and promote gender equality, economic growth, and social development. (Goyal and Parkash, 2011).

Push factors refer to the circumstances or conditions that compel women to seek alternative means of income generation and economic independence. These factors often arise from challenges and limitations that women face in their traditional roles or in the broader socio-economic context. Push factors can include:

- **Economic Necessity:** Women may engage in business activities out of economic necessity, especially in situations where traditional sources of income are limited or insufficient to support their families. Financial pressures and the need to provide for themselves and their dependents can push women towards entrepreneurship.
- **Limited Job Opportunities:** Women may encounter limited job opportunities due to gender-based discrimination, lack of access to education and training, or prevailing cultural norms. In such situations, starting their own businesses may provide women with a viable alternative to gain employment and generate income.
- **Challenging Work Environment:** Some women may face unfavorable or hostile work environments, such as gender bias, unequal pay, or limited opportunities for career advancement. These challenges can push women to pursue entrepreneurship as a means to have greater control over their work and create a more supportive and empowering environment for themselves.

Pull factors, on the other hand, are the positive forces that attract and motivate women to engage in business activities. These factors provide opportunities, incentives, and supportive conditions that encourage women to take on entrepreneurial roles. Pull factors can include:

- **Independence and Autonomy:** Entrepreneurship offers women the opportunity to lead independent lives, make their own decisions, and have control over their professional and personal journeys. The autonomy that comes with being a business owner can be a significant pull factor for women.

- **Flexibility and Work-Life Balance:** Entrepreneurship allows women to have greater flexibility in managing their work schedules and balancing their professional and personal responsibilities. This flexibility is particularly attractive to women who need to juggle family commitments and care giving responsibilities.
- **Fulfilling Personal Aspirations:** Women entrepreneurs often have personal aspirations, such as pursuing their passions, achieving self-fulfillment, and leaving a legacy. Entrepreneurship provides a platform for women to pursue their dreams and create something meaningful.
- **Economic Empowerment:** Women recognize the potential for economic empowerment through entrepreneurship. Building successful businesses can lead to financial independence, wealth creation, and improved socio-economic status, which in turn positively impact their families and communities.

By providing comprehensive support throughout the entrepreneurial journey, from the early stages to sustainable firm development, stakeholders such as government agencies, entrepreneurship support organizations, and development agencies can foster a conducive environment for entrepreneurs to thrive, create jobs, drive innovation, and contribute to economic growth (USAID, 2017).

In the early stages of entrepreneurship, support is crucial as it helps aspiring entrepreneurs navigate the challenges and uncertainties associated with starting a new venture. This support can come in different forms, including:

- **Financial Support:** Access to capital is often a critical factor for entrepreneurs in getting their businesses off the ground. Financial support can include seed funding, grants, loans, or investments from angel investors, venture capitalists, or government agencies. Adequate financial resources enable entrepreneurs to cover startup costs, develop prototypes, conduct market research, and establish a solid foundation for their ventures.
- **Mentorship and Guidance:** Mentorship from experienced entrepreneurs or industry experts provides invaluable guidance and insights. Mentors can offer advice on business strategy, industry trends, customer acquisition, and overcoming common challenges. They can also provide a network of contacts and connections that can help entrepreneurs access resources and opportunities.
- **Business Development Services:** Entrepreneurship support organizations, incubators, and accelerators offer various business development services. These services may include training programs, workshops, business planning assistance, legal and regulatory guidance, marketing support, and access to shared office spaces or facilities. Such services help entrepreneurs refine their business models, develop necessary skills, and establish a strong foundation for growth.
- **Networking Opportunities:** Building a strong network is essential for entrepreneurs. Networking events, industry conferences, and entrepreneurship-focused communities provide opportunities to connect with potential partners, investors, suppliers, and customers. These networks offer a platform for collaboration, learning, and accessing new markets.

Challenges faced by Women Entrepreneurship

Women entrepreneurs in India face several challenges and barriers that can hinder their entrepreneurial journey. Here are some common challenges faced by women entrepreneurs:

- **Gender Bias and Stereotypes:** Deep-rooted gender biases and stereotypes in society create barriers for women entrepreneurs. They often face discrimination, skepticism, and a lack of trust, which can affect their access to resources, funding, and business opportunities.
- **Limited Access to Finance:** Women entrepreneurs often struggle to secure adequate funding for their ventures. They face difficulties in accessing loans, venture capital, and angel investments due to factors like bias in financial institutions, collateral requirements, and risk aversion among investors.
- **Lack of Networks and Mentors:** Women entrepreneurs often have limited access to supportive networks and mentors. They face challenges in building professional relationships, accessing influential networks, and finding mentors who can provide guidance, support, and valuable connections.
- **Balancing Work and Family Responsibilities:** Balancing work and family responsibilities is a significant challenge for women entrepreneurs. The societal expectation of women fulfilling traditional roles as caregivers and managing household responsibilities can make it difficult for them to devote sufficient time and energy to their businesses.

- **Limited Market Opportunities:** Women entrepreneurs may face limitations in accessing market opportunities and contracts, especially in sectors traditionally dominated by men. They may encounter bias and exclusion, making it harder to compete and grow their businesses.
- **Lack of Skills and Training:** Limited access to skill development programs and entrepreneurial training can hinder women entrepreneurs' ability to acquire the necessary knowledge and skills for business success. This can create barriers in areas such as business planning, financial management, marketing, and technology.
- **Infrastructure and Support Services:** Inadequate infrastructure and support services, such as incubators, accelerators, and business development resources, specifically designed for women entrepreneurs, can limit their ability to access critical support and guidance.
- **Sociocultural Norms and Perceptions:** Sociocultural norms and perceptions can influence women's willingness to take risks and pursue entrepreneurial ventures. Social expectations, fear of failure, and societal pressures can discourage women from fully exploring their entrepreneurial potential.

Addressing these challenges requires a multi-faceted approach, involving efforts from various stakeholders, including the government, financial institutions, support organizations, and society as a whole. Providing access to finance, creating a supportive ecosystem, offering mentorship and training programs, promoting gender equality, and challenging gender stereotypes are essential steps towards empowering women entrepreneurs and enabling their success.

POLICIES TO SUPPORT WOMEN ENTREPRENEURS BY GOVERNMENT THROUGH ATMANIRBHAR BHARAT ABHIYAN

The Atmanirbhar Bharat Abhiyan, launched by the Government of India in May 2020, aims to promote self-reliance and economic growth in the country. As part of this initiative, the government has announced several policies and measures to support women entrepreneurs in India. Here are some of them:

- **Loans for Women Entrepreneurs:** The government has launched several schemes to provide loans to women entrepreneurs at low-interest rates, including the Annapurna scheme, the Mahila Udyam Nidhi Scheme, and the Mudra Yojana.
- **Special Incentives for Women-led Businesses:** The government has announced several incentives and benefits for women-led businesses, such as tax exemptions, subsidies, and preference in government procurement.
- **Incubation Centers:** The government has set up incubation centers to provide support and mentoring to women entrepreneurs, such as the Women Entrepreneurship and Empowerment (WEE) Foundation, which provides training and mentorship to women entrepreneurs.
- **Skill Development:** The government has launched several skill development programs to empower women entrepreneurs and equip them with the necessary skills to run successful businesses.
- **Ease of Doing Business:** The government has taken several measures to simplify the regulatory environment and reduce the bureaucratic hurdles for women entrepreneurs, such as the launch of the single-window system for business registration and the elimination of several unnecessary licenses and permits.

In conclusion, the Atmanirbhar Bharat Abhiyan has prioritized the empowerment and support of women entrepreneurs in India, through policies and measures such as loans, incentives, incubation centers, skill development programs, and ease of doing business. These initiatives aim to create a more enabling environment for women entrepreneurs to start and grow successful businesses, contributing to the economic growth and self-reliance of the country.

1.1.11 SCHEMES LAUNCHED BY THE INDIAN GOVERNMENT

There are several schemes launched by the Indian government to promote women entrepreneurship. Some of them are:

- **Annapurna Scheme:** This scheme provides easy loans to women entrepreneurs who want to start food-related businesses like catering, food processing, or tiffin services. The loan amount can go up to Rs. 50,000.

- Stree Shakti Package for Women Entrepreneurs: This scheme provides a loan of up to Rs. 1 crore to women entrepreneurs who want to start or expand their businesses. The scheme also provides a concession of 0.50% in interest rates to women entrepreneurs.
- Mahila Udyam Nidhi Scheme: This scheme provides financial assistance to women entrepreneurs who want to start small-scale businesses. The loan amount can go up to Rs. 10 lakh.
- Stand Up India Scheme: This scheme aims to promote entrepreneurship among women and SC/ST communities. The scheme provides loans between Rs. 10 lakh and Rs. 1 crore to women entrepreneurs who want to start or expand their businesses.
- Udyogini Scheme: This scheme provides financial assistance to women entrepreneurs who want to start or expand their businesses in the agriculture and allied sectors. The loan amount can go up to Rs. 3 lakh.
- Mudra Yojana Scheme: This scheme provides loans of up to Rs. 10 lakh to women entrepreneurs who want to start or expand their businesses in the non-farm sector.
- Women Entrepreneurship Platform (WEP): This platform provides networking opportunities, mentorship, and funding support to women entrepreneurs. It also provides access to various government schemes and programs.
- Cent Kalyani Scheme: This scheme is offered by the Central Bank of India to provide financial assistance to women entrepreneurs in the manufacturing, service, and trading sectors. The loan amount ranges from Rs. 1 lakh to Rs. 100 lakh, and the repayment period is up to 7 years.
- Mahila Coir Yojana: This scheme aims to provide financial assistance to women entrepreneurs engaged in the coir industry. Under this scheme, the government provides subsidies for the purchase of coir processing equipment.
- National Small Industries Corporation (NSIC) Women Entrepreneurs Programme: This scheme aims to empower women entrepreneurs by providing them with financial assistance, training, and marketing support.
- Trade-Related Entrepreneurship Assistance and Development (TREAD) Scheme for Women: This scheme aims to provide financial assistance to women entrepreneurs in the micro and small enterprises sector.
- Pradhan Mantri Mudra Yojana (PMMY): This scheme aims to provide loans up to Rs. 10 lakh to women entrepreneurs to start or expand their businesses.
- Annapurna Bhojnalaya Yojana: This scheme aims to provide financial assistance to women entrepreneurs engaged in the food service industry.
- Rashtriya Mahila Kosh: This scheme aims to provide micro-credit to women entrepreneurs from low-income households.
- Nari Shakti Puraskar: This scheme is a national award given to women who have made outstanding contributions to the empowerment of women.
- Udyogini Scheme: This scheme aims to provide financial assistance to women entrepreneurs in the state of Haryana.
- Bhartiya Mahila Bank Business Loan: This scheme is offered by the Bhartiya Mahila Bank to provide loans up to Rs. 20 crore to women entrepreneurs.
- Women Entrepreneurship and Empowerment (WEE) Programme: This scheme aims to provide training and support to women entrepreneurs in the state of Tamil Nadu.
- Support to Training and Employment Programme for Women (STEP): This scheme aims to provide training and employment opportunities to women from disadvantaged sections of society.
- Nai Roshni Scheme: This scheme aims to provide training and support to women from minority communities to enable them to become entrepreneurs.
- Women Entrepreneurship Platform (WEP): This is an online platform launched by the NITI Aayog to provide support and networking opportunities to women entrepreneurs.
- Chhattisgarh Mahila Kosh: This scheme aims to provide financial assistance to women entrepreneurs in the state of Chhattisgarh.
- Himachal Pradesh Women Self Employment Scheme: This scheme aims to provide financial assistance to women entrepreneurs in the state of Himachal Pradesh.
- Uttar Pradesh Mahila Udyam Nidhi Scheme: This scheme aims to provide financial assistance to women entrepreneurs in the state of Uttar Pradesh.
- Rajasthan Mahila Kalyan Yojana: This scheme aims to provide financial assistance to women entrepreneurs in the state of Rajasthan.
- Delhi Mahila Udyam Nidhi Scheme: This scheme aims to provide financial assistance to women entrepreneurs in the National Capital Territory of Delhi.

These schemes provide a great opportunity for women entrepreneurs to start and expand their businesses. Women entrepreneurs can take advantage of these schemes to achieve their entrepreneurial dreams.

1.1.13 GROWTH AND ROLE OF WOMEN ENTREPRENEURS IN INDIAN ECONOMY

The growth and role of women entrepreneurs in the Indian economy have gained significant momentum in recent years. Here are some key points highlighting their impact:

- **Increasing Participation:** Women's participation in entrepreneurship has been steadily increasing in India. More women are choosing to start their own businesses and venture into diverse sectors, including technology, e-commerce, education, healthcare, fashion, and social enterprises.
- **Economic Contribution:** Women entrepreneurs are making a substantial economic contribution to the Indian economy. Their businesses generate employment opportunities, contribute to GDP growth, and foster innovation and competitiveness in various sectors.
- **Job Creation:** Women-led enterprises have been instrumental in creating employment opportunities, particularly for women. By starting their businesses, women entrepreneurs not only create job opportunities for themselves but also provide employment to others, thus addressing the issue of unemployment and contributing to economic empowerment.
- **Empowering Women:** Women entrepreneurship plays a vital role in empowering women and promoting gender equality. It provides women with a platform to showcase their skills, talents, and leadership abilities. It enables them to break through traditional gender roles, gain financial independence, and assert their economic and social rights.
- **Social Impact:** Women entrepreneurs often bring a unique perspective to business, addressing social challenges and contributing to social development. Many women-led businesses focus on social issues such as education, healthcare, sustainable development, and women's empowerment, making a positive impact on society.
- **Innovation and Diversity:** Women entrepreneurs bring fresh perspectives, innovative ideas, and diverse approaches to business. Their presence in the entrepreneurial ecosystem fosters creativity, encourages diversity, and leads to the development of new products, services, and business models.
- **Role Models and Inspiration:** Women entrepreneurs serve as role models and sources of inspiration for other women and young girls aspiring to pursue entrepreneurial ventures. Their success stories encourage more women to overcome societal barriers, embrace entrepreneurship, and contribute to economic growth.
- **Policy Support:** The Indian government has recognized the significance of women entrepreneurship and has implemented various policies and initiatives to support and promote their growth. These include financial incentives, access to finance, skill development programs, business incubators, networking platforms, and women-specific schemes and grants.

While the growth of women entrepreneurship in India is promising, several challenges and barriers persist. These challenges include limited access to capital, social and cultural biases, lack of networks and mentorship, work-life balance, and limited market opportunities. Addressing these challenges requires continued efforts from stakeholders, including government, financial institutions, industry associations, and civil society organizations.

Overall, women entrepreneurs in India are playing a crucial role in driving economic growth, job creation, and social development. Their contributions are shaping the business landscape, promoting inclusivity, and paving the way for a more gender-equal and prosperous Indian economy.

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