

Women Entrepreneurship in India: Challenges and Opportunities

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Abstract: Women entrepreneurship is a vital source of innovation, employment, and social empowerment for women and the society at large. However, women entrepreneurs face various challenges and barriers in starting and scaling up their businesses in India. This article reviews the existing policies and programmes by the central and state governments that support women entrepreneurship in India, analyzes the gaps and challenges in their implementation and impact, and suggests some recommendations and best practices for improving the policy framework and ecosystem for women entrepreneurship in India. The article aims to provide a comprehensive and critical overview of the current state and future prospects of women entrepreneurship in India, and to contribute to the research and action on this topic.

Keywords: Women entrepreneurship, India, policies, programmes, challenges, opportunities, recommendations, best practices.

Introduction

Women entrepreneurship is the process of creating, organizing, and managing a business venture by women. It is a vital source of innovation, employment, and social empowerment for women and the society at large. Women entrepreneurship contributes to India's economic and social development by generating income, creating jobs, reducing poverty, enhancing gender equality, and fostering social inclusion.

According to the Sixth Economic Census conducted in 2014, only about 14 percent of Indian women own or run businesses, compared to 76 percent of men [1]. More than 90 percent of women-owned business enterprises are microenterprises, and about 79 percent are self-financed [1]. Women entrepreneurs face various challenges and barriers in starting and scaling up their businesses, such as social norms, gender discrimination, lack of awareness, access to resources, market opportunities, etc.

The main objectives of this article are to:

- Review the existing policies and programmes by the central and state governments that support women entrepreneurship in India.
- Analyze the gaps and challenges in the implementation and impact of the policies and programmes.
- Suggest some recommendations and best practices for improving the policy framework and ecosystem for women entrepreneurship in India.

The scope of this article is limited to the formal sector of women entrepreneurship, and does not cover the informal or unorganized sector, which constitutes a large proportion of women's economic activities in India.

Policies and Programmes for Women Entrepreneurship in India

The Government of India has initiated various policies and programmes to promote and support women entrepreneurship in India. Some of the key policies and programmes are:

- ****National Policy for Skill Development and Entrepreneurship 2015**:** This policy aims to provide an enabling environment for skill development and entrepreneurship, with a special focus on women, youth, and marginalized groups. It envisages creating a network of entrepreneurship hubs, incubators, mentors, and investors to foster a culture of entrepreneurship in the country [2].
- ****Startup India**:** This is a flagship initiative of the Government of India, launched in 2016, to build a strong and inclusive ecosystem for innovation and entrepreneurship. It provides various incentives and benefits to startups, such as tax exemptions, funding support, ease of doing business, intellectual property protection, etc. It also has a dedicated portal for women entrepreneurs, called Women Entrepreneurship Platform (WEP), which offers access to mentors, resources, networks, and opportunities for women entrepreneurs [3].
- ****Stand-Up India**:** This scheme was launched in 2016 to 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 for setting up a greenfield enterprise. The scheme also provides handholding support, training, and mentoring to the borrowers [4].

- ****Trade Related Entrepreneurship Assistance and Development (TREAD)**:** This scheme was launched in 2000 by the Ministry of Micro, Small and Medium Enterprises (MSME) to provide financial and non-financial assistance to women entrepreneurs for setting up trade-related enterprises. The scheme provides grants to NGOs for conducting entrepreneurship development programmes, credit facilitation, and marketing support for women entrepreneurs.
- ****Support to Training and Employment Programme for Women (STEP)**:** This scheme was launched in 1986 by the Ministry of Women and Child Development to provide skills training and employment opportunities to women in traditional and non-traditional sectors. The scheme covers various sectors, such as agriculture, horticulture, food processing, handicrafts, tailoring, etc.
- ****Mudra Yojana for Women/Mahila Udyami Yojana**:** This scheme was launched in 2015 by the Ministry of Finance to provide collateral-free loans up to Rs. 10 lakh to micro and small enterprises, with a preference to women entrepreneurs. The scheme has three categories of loans, namely Shishu (up to Rs. 50,000), Kishor (Rs. 50,000 to Rs. 5 lakh), and Tarun (Rs. 5 lakh to Rs. 10 lakh).

These policies and programmes have some strengths and limitations, as discussed below:

Strengths:

- They provide a range of financial and non-financial support to women entrepreneurs, such as loans, grants, subsidies, tax benefits, training, mentoring, networking, etc.
- They cover various sectors and stages of entrepreneurship, from ideation to growth.
- They address some of the specific needs and challenges of women entrepreneurs, such as skill development, credit access, market linkages, etc.
- They create awareness and recognition for women entrepreneurship in the society and the economy.

Limitations:

- They have low outreach and coverage, especially in rural and remote areas, where most of the women entrepreneurs are located.
- They have complex and cumbersome procedures and eligibility criteria, which deter many women entrepreneurs from availing the benefits.
- They have inadequate monitoring and evaluation mechanisms, which affect the quality and impact of the interventions.
- They have limited coordination and convergence among different ministries, departments, and agencies, which leads to duplication and fragmentation of efforts.

Some of the successful women entrepreneurs who have benefited from these policies and programmes are:

- ****Kiran Mazumdar Shaw**:** She is the founder and chairperson of Biocon, India's largest biopharmaceutical company. She started her business in 1978 with a seed capital of Rs. 10,000 and a rented garage. Today, her company is worth over \$5 billion and employs over 11,000 people. She is a recipient of various awards and honors, such as Padma Shri, Padma Bhushan, EY Entrepreneur of the Year, etc.
- ****Falguni Nayar**:** She is the founder and CEO of Nykaa, India's leading online beauty and wellness platform. She started her business in 2012 after quitting her successful career as an investment banker. Today, her company is valued at over \$1.2 billion and has over 5 million customers. She is a recipient of various awards and honors, such as Business Today Most Powerful Women in Business, EY Entrepreneur of the Year, etc.
- ****Garima Satija**:** She is the founder and CEO of PoshVine, a platform that connects travelers with local experts and experiences. She started her business in 2011 with a team of four and a bootstrapped budget. Today, her company has over 5000 experiences across 50 countries and has partnered with leading travel brands, such as Airbnb, TripAdvisor, etc. She is a recipient of various awards and honors, such as Forbes 30 Under 30, TiE Women Entrepreneur of the Year, etc.

Gaps and Challenges in the Policy Framework and Ecosystem for Women Entrepreneurship in India

Despite the various policies and programmes for women entrepreneurship in India, there are still many gaps and challenges in the policy framework and ecosystem that hinder the growth and potential of women entrepreneurs. Some of the major gaps and challenges are:

- **Social and cultural barriers:** Women entrepreneurs face various social and cultural barriers, such as patriarchal norms, gender stereotypes, family responsibilities, mobility restrictions, safety concerns, etc. These barriers affect their self-confidence, motivation, and decision-making abilities. They also limit their access to education, training, information, networks, and role models.

- **Financial barriers:** Women entrepreneurs face various financial barriers, such as lack of collateral, credit history, financial literacy, and bargaining power. They also face discrimination and bias from financial institutions, investors, and lenders, who perceive them as high-risk and low-return borrowers. They also have limited awareness and availability of alternative sources of finance, such as angel funding, venture capital, crowdfunding, etc.
- **Market barriers:** Women entrepreneurs face various market barriers, such as lack of market information, linkages, opportunities, and access. They also face competition and discrimination from male-dominated sectors and industries. They also have limited exposure and visibility in the domestic and international markets. They also have low adoption and utilization of digital and e-commerce platforms, which are essential for expanding their reach and customer base.
- **Policy and institutional barriers:** Women entrepreneurs face various policy and institutional barriers, such as lack of representation, participation, and consultation in the policy-making process. They also face lack of coordination, convergence, and alignment among different policies and programmes. They also face lack of transparency, accountability, and responsiveness in the policy implementation and delivery process. They also face lack of legal and regulatory support and protection, especially in cases of harassment, violence, and disputes.

The role of various stakeholders, such as government agencies, private sector, civil society, etc. in addressing these issues is crucial and complementary. Some of the roles and responsibilities of these stakeholders are:

- **Government agencies:** They are responsible for designing, implementing, and evaluating the policies and programmes for women entrepreneurship. They should ensure that the policies and programmes are inclusive, participatory, and evidence-based. They should also ensure that the policies and programmes are coordinated, converged, and aligned with the national and international goals and frameworks. They should also ensure that the policies and programmes are transparent, accountable, and responsive to the needs and feedback of the women entrepreneurs.
- **Private sector:** They are responsible for providing financial and non-financial support and services to women entrepreneurs. They should ensure that the financial and non-financial support and services are accessible, affordable.

Recommendations and Best Practices for Improving the Policy Framework and Ecosystem for Women Entrepreneurship in India

Based on the analysis of the gaps and challenges in the policy framework and ecosystem for women entrepreneurship in India, some of the recommendations and best practices for improving the situation are:

- **Strengthening the awareness and outreach of the policies and programmes:** The government agencies should enhance the awareness and outreach of the policies and programmes for women entrepreneurship, especially in rural and remote areas, where most of the women entrepreneurs are located. This can be done by using various channels, such as media, social media, mobile apps, web portals, etc. to disseminate information and guidance on the eligibility criteria, application process, benefits, and impact of the policies and programmes. The government agencies should also collaborate with NGOs, private sector, civil society, etc. to leverage their networks and expertise to reach out to the women entrepreneurs and facilitate their access to the policies and programmes.
- **Simplifying the procedures and criteria of the policies and programmes:** The government agencies should simplify the procedures and criteria of the policies and programmes for women entrepreneurship, to make them more user-friendly and hassle-free. This can be done by reducing the documentation, paperwork, and formalities required for availing the benefits, and by adopting online and digital platforms for application and delivery of the services. The government agencies should also ensure that the policies and programmes are flexible and adaptable to the needs and preferences of the women entrepreneurs, and provide them with multiple options and choices to suit their requirements.
- **Enhancing the monitoring and evaluation of the policies and programmes:** The government agencies should enhance the monitoring and evaluation of the policies and programmes for women entrepreneurship, to ensure their quality and impact. This can be done by establishing clear and measurable indicators, targets, and outcomes for the policies and programmes, and by collecting and analyzing data and feedback from the women entrepreneurs and other stakeholders on a regular basis. The government agencies should also use the findings and learnings from the monitoring and evaluation to improve and innovate the policies and programmes, and to address the gaps and challenges in their implementation and delivery.
- **Promoting the coordination and convergence of the policies and programmes:** The government agencies should promote the coordination and convergence of the policies and programmes for women entrepreneurship, to avoid duplication and fragmentation of efforts. This can be done by creating a common platform or mechanism for sharing information, resources, and best practices among different ministries,

departments, and agencies involved in the policies and programmes, and by aligning the policies and programmes with the national and international goals and frameworks, such as the Sustainable Development Goals (SDGs), the National Policy for Women, etc. The government agencies should also foster partnerships and collaborations with NGOs, private sector, civil society, etc. to leverage their complementary strengths and capabilities to support the women entrepreneurs.

- **Empowering the women entrepreneurs through skill development, financial inclusion, and market access:** The government agencies, along with NGOs, private sector, civil society, etc. should empower the women entrepreneurs through skill development, financial inclusion, and market access. This can be done by providing them with quality and relevant education, training, and mentoring on various aspects of entrepreneurship, such as business development, management, innovation, digital literacy, etc. This can also be done by providing them with easy and affordable access to finance, credit, insurance, and other financial products and services, and by addressing the discrimination and bias they face from financial institutions, investors, and lenders. This can also be done by providing them with opportunities and linkages to access and expand their markets, both domestic and international, and by enhancing their exposure and visibility in the market through digital and e-commerce platforms, branding, networking, etc.

Conclusion

Women entrepreneurship is a vital source of innovation, employment, and social empowerment for women and the society at large. Women entrepreneurship contributes to India's economic and social development by generating income, creating jobs, reducing poverty, enhancing gender equality, and fostering social inclusion. However, women entrepreneurs face various challenges and barriers in starting and scaling up their businesses, such as social norms, gender discrimination, lack of awareness, access to resources, market opportunities, etc. The Government of India has initiated various policies and programmes to promote and support women entrepreneurship in India, but there are still many gaps and challenges in the policy framework and ecosystem that hinder the growth and potential of women entrepreneurs. Therefore, there is a need and urgency for improving the policy framework and ecosystem for women entrepreneurship in India, by strengthening the awareness and outreach, simplifying the procedures and criteria, enhancing the monitoring and evaluation, promoting the coordination and convergence, and empowering the women entrepreneurs through skill development, financial inclusion, and market access. These recommendations and best practices can help in creating a more conducive and enabling environment for women entrepreneurship in India, and in unlocking the full potential and value of women entrepreneurs for the economy and the society. There is also a need for further research and action on this topic, to generate more evidence and insights on the challenges and opportunities for women entrepreneurship in India, and to design and implement more effective and innovative solutions and interventions for women entrepreneurs.

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