



WOMEN ENTREPRENEURS - GS I AND III MAINS

Q. Women entrepreneurs often face traditional and socio-economic hurdles in comparison to their male counterparts in India. Discuss (10 marks, 150 words)

News: *Nirmala Sitharaman Backs Women Entrepreneurs, Says More of Them Reaching Company Boards*

What's in the news?

- Nirmala Sitharaman has said that women are now not only running startups but are also increasingly filling up positions on company boards.

Key takeaways:

- Addressing the launch of 'She the Change' initiative by foodtech major Swiggy, the minister said that in 2018, only 13.8% of women were reaching the company boards, but today this figure has jumped to 18.3%.
- She added that among the 111 unicorns created in India, 20 of them are women-led startups.
- Lauding the women-centric policies enacted by the Centre, Sitharaman highlighted that 80% of the funds designated under the Stand Up India Scheme have been directed towards women.
- She further said that nearly 10% of the Small Industries Development Bank of India's (Sidbi) fund of funds is reserved to support women-backed startups.

Woman Entrepreneurs:

- A woman entrepreneur is the one who assumes **dominant financial control (minimum financial interest of 51 percent of the capital) in an enterprise.**
- Empowerment of women is essential for **sustainable development and economic growth** of the country.
- Women entrepreneurs have emerged as an important means to empower women folk to make decisions regarding their domestic, social, political and economic life.

Status of Women Entrepreneurs in India:

- According to the National Sample Survey, women entrepreneurs account for **only 14% of all enterprises in India.**
- Women are founders of **only 6% of the Indian Start-ups.**
- In terms of ownership of equity, business stakes held by women are highest in India's manufacturing sector (mainly related to paper and tobacco products) even exceeding 50%.
- The Sixth Economic Census is the most cited data in the literature on women entrepreneurship in India. It reveals that out of the 58.5 million businesses, only 8.05 million were owned by women. Thus, of the total entrepreneurs in India, only 13.7% are women.



- According to the **Female Entrepreneurship Index**, out of 77 countries covered, India ranks 70.

Various Hurdles for Women Entrepreneurs:

- 1. Male Dominant Economy:** Women have to work in the male-dominant world facing discrimination and social stigma.
- 2. Familial Constraints:** Even though a lot of women have the potential as well as ambition to make it to the top in arenas that are usually dictated by a stark male presence.
- 3. Small Scale:** The majority of the businesses are self-funded and operate on a small scale.
- 4. Uncertain Times:** At the same time, uncertainty is an important concern for women. They fear failing, especially if the people are sceptical about their business capability.
- 5. Under-representation:** Despite India's rapid economic growth in recent decades, India still has very few women entrepreneurs.
- 6. Lack of Funds:** It is not unheard of for women entrepreneurs to be denied basic enablers such as easy access to funds and sponsorships.
- 7. Lack of Enterprise:** With fewer female business founders, the pool of women who can mentor and advise fellow entrepreneurs is consequently smaller.

Significance of Women Entrepreneurs:

- 1. Better Management of Finance:** It is a fact that women can easily utilize the funds whether it is raised for home expenses or the business expenditure.
- 2. Access and Vigilance:** The basic characteristic of an Entrepreneur is that they must stay high on the updated information related to science and technology which would be helpful in the business field.
- 3. Self-employment:** As all women are doing study and capable to grab the job opportunities but due to less availability of positions in their field of interest they are facing unemployment.
- 4. Empowerment:** Women have always a misconception in their minds that they cannot manage or run a business like other men.
- 5. Breakthrough Orthodox Views:** In this world of non-conventional business fields, women need to get up and stay strong to change the conventional thinking of segregating different sectors for women and men as well.



6. Narrow Down the Gender Gap: Women Entrepreneurship motivates women to inspire and run a business.

7. Better Company Culture: It has been observed that women-owned enterprises provide a well-developed and safe atmosphere within the company.

Government Initiatives:

1. Women Entrepreneurship Platform:

- In an effort to enhance the community experience for women entrepreneurs in India, NITI Aayog and Flipkart, have come together to launch the revamped Women Entrepreneurship Platform.
- The Women Entrepreneurship Platform (WEP) is a unified access portal which brings together women from different parts of India to realise their entrepreneurial aspirations.

2. Social Security Code, Code on Occupational Safety, Health & Working Conditions Code, and Industrial Relations Code, 2020:

- Under the new codes, women have to be permitted to work in every sector at night, but it has to be ensured that provision for their security is made by the employer and consent of women is taken.

3. Self Help Groups:

- In this, rural women are engaged in small-scale entrepreneurship programmes created with the intention that the joint efforts can be much more successful in overcoming various obstacles faced by the individuals.
- The members typically use savings, credit, or social involvement to support their entrepreneurial ventures.

4. Stand-up India:

- According to the available data, 81% of beneficiaries of this scheme are women entrepreneurs.

5. Mahila e-Haat:

- It is an online marketing platform to support women entrepreneurs.
- The platform offers an opportunity for women entrepreneurs to leverage technology for showcasing products manufactured by them.

6. Women Start-up Programme:

- Indian Institute of Management Bangalore's Start-up and Innovation Hub runs this programme.
- The programme aims to support ambitious and innovative women entrepreneurs by transforming their idea into business ventures and enhancing their entrepreneurial and managerial skills.



7. Capacity-building Programmes:

- In fields such as marketing, operations management, quality controls and financial management, etc.

8. Corporate-led Initiatives:

- These have worked to bridge gaps in internet access and generate awareness among women entrepreneurs.
- For example: Google Internet Saathi, EdelGive Foundation's UdyamStree campaign, Facebook Pragati, etc.

9. SAMARTH:

- The Union Ministry of MSMEs has launched a Special Entrepreneurship Promotion Drive for Women "SAMARTH".
- The initiative aims to develop an entrepreneurship culture among women by offering several additional benefits for women in the schemes implemented by the Ministry.

WAY FORWARD:

1. Progressive Policies:

- To achieve inclusive and equitable socio-economic growth, India must ensure that at least 25 per cent of entrepreneurs in the country are women by 2025.
- Therefore, there is an urgent need to create an enabling environment for women to pursue their entrepreneurial aspirations through progressive policies.

2. Business Infrastructure:

- India must focus on establishing necessary infrastructure, such as women-centric incubators and increasing investment opportunities.

3. Financial Accessibility:

- Access to new age alternate funding for women entrepreneurs such as women specific venture funds and crowd funding is important for encouraging their growth.
- Also, India need to encourage women to invest in other female-led companies to balance gender disparity, co-creating both mentorship and networking platforms.
- The government can also provide interest-free loans to encourage women entrepreneurs, increase the subsidy for loans and make provisions of microcredit system to the women entrepreneurs.

4. Improving Skillsets:

- With emerging technologies such as blockchain, Artificial Intelligence (AI) and Internet of Things (IoT), it is of vital importance that the skillset of women be expanded to match the current market trends.



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5. Improving Social Indicators:

- Better education and health that increase female labour-force participation, reduced discrimination and wage differentials that encourage more effort and improved career-advancement.

6. Leadership Role:

- Existing women entrepreneurs have an important role to play as they can reach out to other aspiring female entrepreneurs in their region.

