

Women Entrepreneurship: A tool to promote women empowerment

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Abstract

The act of starting new businesses by individuals or small groups is referred to as entrepreneurship. The entrepreneur takes on the role of society's principal agent of change by starting the industrial advancement that result in more significant cultural shifts. The dynamic process of generating additional money is called entrepreneurship. Women entrepreneurship has a significant contribution in the economic development of any country. According to the reports of World Bank collection of development indicators, women, who make up around 48.39% of the total population, are active participants in all aspects of economic life and make significant financial contributions to the country. The idea of encouraging women to start businesses places a strong emphasis on using women's labour force effectively to generate revenue for their livelihoods, reduce rural poverty, and lessen the detrimental social repercussions of underemployment and unemployment. They make a significant contribution to India's economic development and prosperity. India has 432 million women who are working age at the moment, 343 million of whom labour in the unorganised sector. The 2030 Agenda for Sustainable Development can only be accomplished by empowering women in the economy and eliminating gender disparities in the workplace. The present review makes an attempt to highlight to understand the entrepreneurial development among women is a unique attempt and would highlight their existing status and contribution in national economy.

Key words: Economy, Entrepreneurship, GDP, Unemployment, Women

Entrepreneur refers to the skill of discovering new economic opportunities, managing the business, taking risk and introducing innovations (Sundarum, 1983). The term "entrepreneur" has often been applied to the founder of a new business, or a person who started a new business where there was none before" (Gartner 1985). Those who develop a niche in the market or develop a strategy to satisfy some need are also, by some, called entrepreneurs (Garfield 1986). The term "entrepreneurship" has entered the business

vocabulary in the 1980s' equivalent of "professionalism," the managerial buzzword of the 1970s. The decade 1975-1984 saw explosive growth in the amount of capital committed to venture capital firms in the United States. There was a concurrent dramatic increase in the amount of money raised in the public capital markets by young companies (Stevenson, 1983). Pandit Jawaharlal Nehru, The first Prime Minister of India said, "You can say the condition of women by looking the status of its women". For centuries, women have faced challenges and hurdles and that has bestowed on them infinite patience, perseverance and have only helped them emerge stronger.

Over the past few decades, women working professionals have worked assiduously, with their talent, dedication and enthusiasm. They contribute massively towards India's economic growth and prosperity. At present, there are 432 million women of working-age in India, out of which 343 million are employed in the unorganized sector. (Confederation of Indian Industry, 2022) A report by McKinsey Global Institute has estimated that just by offering equal opportunities to women, India could add US\$ 770 billion to its GDP by 2025. Yet, the present contribution of women to the GDP remains at 18%. Empowering women in the economy and closing gender gaps in the world of work is the key to achieving the 2030 Agenda for Sustainable Development. (United Nations High Level Panel, 2022)

The new Global Entrepreneurship Monitor (GEM) 2021/2022 Women's Entrepreneurship Report showed that start up rates for women dropped by 15% from 2019 to 2020, and held constant in 2021. Globally, women represent about one in three high growth entrepreneurs and one in three innovation entrepreneurs focused on national and international markets. Women in upper-middle income countries represent some of the most innovative, high growth entrepreneurs in the world, at parity with men for international market focus. Business exit rates for women rose from 2.9% to 3.6% over the two-year pandemic period, in contrast to the higher rates for

men (3.5% to 4.4%). Women in upper-middle income countries showed the largest pandemic impact on business exit with a 74% increase from 2019 to 2021, compared to 34% for men. Almost half of women entrepreneurs surveyed worldwide are involved in the Wholesale/Retail sector and one in five women entrepreneurs in the Government and Social Services sector (18.5% women versus 10.1% men). However, only 2.7% of women compared to 4.7% of men are starting businesses in Information, Communication and Technology (ICT), the sector that draws the majority of venture capital dollars worldwide. In India 20.37% of women are Ministry of Micro, Small & Medium Enterprises owners which account for 23.3% of the labour force. They are considered to be the backbone of the economy. According to McKinsey Global, India can potentially add US\$ 700 billion to global GDP by increasing women's participation in the labour force. The percentage of women working in the manufacturing and agriculture sectors is higher than that of men. These sectors are usually credited with helping families come out of poverty and contributing to higher household income. Moreover, literacy rates among women grew at 8.8% in Financial Year 21, which further highlights the bright prospects of the country. (India Brand Equity Foundation, 2022) Women-led businesses provide a great impetus to the economy. India has 432 million working-age women and 13.5 -15.7 million women-owned businesses that provide direct employment to 22-27 million people. In addition, a number of businesses are being controlled by women. Indian women are independent and have a strong motivation to start their own business. According to Boston Consulting Group, start-ups founded or co-founded by women generate 10% more cumulative revenue over a five-year period. These start-ups have a more inclusive work culture and employ three times more women than men. Moreover, women-led businesses are estimated to grow 90% in the next five years.

Entrepreneurship Development Programmes in India

India is actively pursuing socio-economic and fiscal stability, with entrepreneurship development identified as a critical component in this endeavour. Entrepreneurship development programs, which include mentorship, skill enhancement, market connectivity, and access to financing, play a vital role in empowering individuals to realize their

entrepreneurial aspirations. The cultivation of an entrepreneurial mindset among individuals and communities in India is significantly supported by initiatives undertaken by both governmental and private entities.

Institutional Framework of the Central Government for Entrepreneurship Development

Small Industries Development Organization (SIDO): Established in October 1973 and currently operating under the Ministry of Trade, Industry, and Marketing, SIDO serves as the apex body at the national level for formulating policies aimed at the development of small-scale industries in India. Led by the Additional Secretary and Development Commissioner for Small Scale Industries, SIDO plays a pivotal role in strengthening this essential sector, which has become a crucial pillar of the nation's economy. Additionally, SIDO offers extensive support through comprehensive plans to promote rural entrepreneurship.

Management Development Institute (MDI): Located in Gurgaon, Haryana, MDI was founded in 1973 with sponsorship from the Industrial Finance Corporation of India. Its primary goal is to enhance managerial effectiveness within industries. The institute conducts various management development programs, including specialized training for officers from the IAS, IES, BHEL, ONGC, and other leading public sector undertakings.

Entrepreneurship Development Institute of India (EDI): Founded in 1983, EDI is an autonomous, not-for-profit organization sponsored by major financial institutions such as IDBI Bank Ltd., IFCI Ltd., ICICI Bank Ltd., and the State Bank of India (SBI). EDI has successfully established twelve state-level exclusive entrepreneurship development centers and has made significant strides in integrating entrepreneurship education into the curricula of numerous schools, colleges, science and technology institutions, and management schools across various states.

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Programme	Focus & description	Outcomes	Year
National Skill Development Corporation (NSDC)	Provides training in entrepreneurship and skill development for a variety of industries, including agriculture	Improved income and employability for rural people through skill development	31 July 2008
Pradhan Mantri Mudra Yojana	Offers financial support for small and micro enterprises, including agribusiness and encourages entrepreneurship	Increased adoption of modern agricultural techniques, increased farm productivity and better living conditions	8 April 2015
Rural Entrepreneurship Development Program (REDP)	Conducted by NABARD, REDP focuses on entrepreneurship development in rural areas through training and capacity building	Empowering rural entrepreneurs, improving their income and enhancing their livelihoods	1992-93
Atal Innovation Mission (AIM)	Innovation & Entrepreneurship	Uplifted innovation and entrepreneurship among professionals, researchers and students through a number of activities.	2016
Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY)	Skill Development & SelfEmployment	Skill development and wage-employment generation in rural areas, encouraging entrepreneurship	25 September 2014
Startup India	Startup Support	Supported and promoted startups in India, offering funding, tax benefits and regulatory ease.	16 January 2016

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All India Small Scale Industries Board (AIISSIB): The All India Small Scale Industries Board (AIISSIB) is the primary advisory body established to provide guidance to the government on matters related to the small-scale sector. It formulates policies and programs aimed at developing small industries, led by a Central Government Minister as president and comprising representatives from various organizations, including the Central and State Governments, the National Small Industries Corporation, State Financial Corporations, the Reserve Bank of India, the State Bank of India, the Indian Small Industries Board, and non-governmental members such as those from the Public Service Commission and Trade and Industry sectors.

National Small Industries Corporation Ltd. (NSIC): Founded in 1995 by the Central Government, NSIC aims to support small industries in participating in government procurement programs. The corporation facilitates a broad market for small industry products through its marketing network and aids small units in exporting their goods internationally.

National Institute of Small Industries Extension Training: Established in 1960 and headquartered in Hyderabad, this institute focuses on several key objectives: (i) directing and coordinating training syllabi for small entrepreneurs, (ii) providing guidance on managerial and technical matters, (iii) organizing seminars for small business owners and managers, and (iv) offering research and documentation services.

National Institution of Entrepreneurship and Small Business Development (NIESBUD), New Delhi: Established in 1983 by the Government of India, NIESBUD acts as the supervising body for various agencies involved in entrepreneurial development programs. Operating as a society under the Government of India Society Act of 1860, its primary activities include: (i) developing effective strategies and methodologies, (ii) standardizing training syllabi, (iii) creating training aids, tools, and manuals, (iv) conducting workshops, seminars, and conferences, (v) assessing the benefits of entrepreneurial development

programs (EDPs) and promoting entrepreneurial growth, (vi) assisting government and other organizations in implementing EDPs, and (vii) engaging in research and development related to entrepreneurship programs.

Challenges and Problems of Women Entrepreneur in India:

Despite the gradual growth of women entrepreneurship and the establishment of women-owned business networks, female marketers still encounter several challenges and barriers. One significant issue is the lingering influence of traditional gender roles, which can hinder women's progress. Here are some of the primary obstacles faced by women entrepreneurs:

1. **Financial Challenges:** Securing funding is particularly difficult for women. Many lack property or assets in their names, making it hard to obtain loans. Often, they rely on personal savings or minimal loans from family and friends, which limits their financial independence.
2. **Male Domination:** Women often experience domination by men both in their families and in business settings. Many still require permission from male relatives before engaging in various activities, reflecting a lack of equal rights.
3. **Technological Barriers:** Access to technology and education is crucial for growth and development. In India, women are often not provided with adequate education to effectively utilize technology, limiting their potential in the evolving market.
4. **Insufficient Infrastructure:** India faces a need for better infrastructure, such as access to raw materials and financial resources. Women often lack the necessary infrastructure to start and expand their businesses. Institutions like the New Development Bank and Asian Development Bank are working towards improving infrastructure and sustainable development.
5. **Risk Aversion:** Women tend to be more risk-averse, a trait often shaped by their upbringing and societal expectations. From childhood, decisions are frequently made by their parents,

and after marriage, their husbands typically take control of decision-making, which can prevent women from taking necessary risks in their personal and business lives.

Conclusion

Women entrepreneurship in India faces numerous challenges, highlighting the need for a significant shift in societal attitudes and mindsets. To address this, programs should be developed to promote changes in how people view women entrepreneurs. Encouraging entrepreneurship among

women is vital for improving their economic status, and education plays a crucial role in nurturing entrepreneurial skills. Additionally, efforts should be made at all levels to motivate, inspire, and support women entrepreneurs. Establishing training institutes can provide women with the necessary skills, enhance their risk-taking abilities, and improve their overall competencies. Once these training centers are in place, ongoing monitoring and enhancement of the training programs will be essential to ensure the quality of entrepreneurs being developed in the country.
