

# WOMEN ENTREPRENEURS IN INDIA: CHALLENGES, OPPORTUNITIES, AND FUTURE PROSPECTS

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## ABSTRACT

Entrepreneurs play a significant role in economic development of the country. Entrepreneurs use their innovative skills to turn their ideas into business prospects. Entrepreneurs determine a country's economic growth by creating new job opportunities, expanding employment opportunities, supplying products and services and producing taxes for the government. Capital formation is largely possible only by entrepreneurship programme. The entrepreneurs are in important place in generating economic and social development for the country. Both the Central and State government have been launched various schemes for encouraging entrepreneurship in the country. In India, male is dominating the society. Despite this, women make their position in every field. Women entrepreneurs are steadily gaining the position and contributing their share in GDP of the country. However, Women in India and around the world face numerous problems and challenges at every stages of business idea. This paper explores the evolution of women entrepreneurship in India, analyzing their contribution to economic growth, what problems and challenges are faced by new and existing women entrepreneurs, what future prospects are available in entrepreneurship and the support mechanisms available to them. It also examines successful case studies of women entrepreneurs.

**Keywords:** Women Entrepreneurs, Entrepreneurship, Social Development, Economic Development

## 1. INTRODUCTION

India is becoming a global hub for entrepreneurial activity with the noteworthy contribution from women entrepreneurs. This shift in the startup scene in India is evidence of the tenacity and determination of women who are rewriting the nation's entrepreneurial history.

Women entrepreneurs are playing a key role in the phenomenal growth of India's startup ecosystem, which is today the third-largest in the world. Women entrepreneurs in India are breaking stereotypes, generating jobs, and making a growing contribution to a variety of industries. Even with their increasing numbers, they continue to encounter major obstacles stemming from institutional, socio-cultural, and economic causes.

### Evolution of Women Entrepreneurship in India

In India, the idea of women entrepreneurs emerged in the nineteenth century, before nineteenth century, India women operated retail shops, textiles and handicrafts. However, post-liberalization in 1991, the rise of women entrepreneurs accelerated due to access to education, technology, and financial resources. Women were persuaded to start small companies from the comfort of their own enterprises. Today, women entrepreneurs became more prevalent because they had greater access to financial resources, education, and technology. Women now work in a variety of fields such as manufacturing, services, agriculture, and technology.

### **Contribution to Economic Development**

Women entrepreneurs contribute significantly to India's GDP, by creating jobs, generating employment opportunities, fostering innovation. According to a report by McKinsey, advancing gender equality in India's workforce could add \$770 billion to the GDP by 2025. Women-led businesses often have focus on local communities, addressing specific social issues through their business models, leading to community development and sustainability.

### **Challenges faced by Women Entrepreneurs**

**Socio-cultural barriers:** In India, male dominates in society. The male dominated society has never let the females realize their true potentials. Due to this, women have to take permission from men to do every work whether it is related with family or business. Her freedom is restricted. They were unable to start their own business or enter the family business due to patriarchy and other social conventions. The women were responsible for taking care of the family's elderly and children, as well as performing everyday housework. Male children are given greater importance in our society than female children. Women's mobility and decision-making power is often restricted by male.

**Family responsibilities:** Family members expect from female to take care of children and give priority to household responsibilities. So, they have limited time and energy.

**Limited mobility:** Females have to do majority of the household responsibilities for their family. They have limited job schedule and unable to travel regularly or spend more time away from home.

### **Financial Constraints**

**Access to capital:** Finance is the life blood of any business. Without finance, it is difficult to perform any activity of business. And women face difficulties in securing loans due to lack of collateral securities. Even, Banks discourage female borrowers because they believe that female borrowers can quit at any time. That why, banks consider women are less credit worthy.

**Investor confidence:** Investors are less interested to invest in female-led startups. Female-led start ups often receive less funding compared to their male counterparts.

### **Skill and Knowledge Gaps**

**Limited access to training:** Entrepreneur should be qualified and have professional knowledge to run a business. Training should be provided to the women entrepreneur, especially in rural areas. lack of access to entrepreneurial training and mentor-ship in rural area.

**Digital literacy:** These days, modern corporate operations require access to digital platforms and technology. Lack of digital literacy, restricted access to the newest technology, and insufficient assistance in incorporating digital solutions into their businesses make it difficult for female entrepreneurs to utilize these resources. A substantial digital divide makes it more difficult for women to use technology to expand their businesses.

### **Regulatory and Policy Barriers**

**Complex procedures:** The complexity of legal and regulatory framework affects women entrepreneurs. Females have less access to legal and business advisory services. Women entrepreneurs find difficult to navigate compliance issues, taxation, and other legal obligations.

**Lack of awareness:** Mostly, female entrepreneur from rural background are less educated. They are unaware of government schemes and policies designed to support them.

### **Government and Institutional Support**

The Indian government has introduced several initiatives to support women entrepreneurs, including:

**Start up India Initiative:** This scheme was launched by the government to support entrepreneurship among women and SC & ST communities. It offers financial assistance, mentor-ship and incubation support. It promotes inclusive economic growth and addresses the issues like access to capital, legal support and mentorship to entrepreneurs. The stand-Up India Scheme provides bank loans (Rs. 10 lakh to Rs. 1 Crore) to atleast one woman or SC/ST entrepreneur.

The Credit Guarantee Scheme reduces financial risk for lenders by providing easy access to funds for start ups. Moreover start-ups led by women and SC/STs got benefit of reduced compliance requirements such as self certification under labour laws and environmental laws. The start-ups also receive tax exemptions for first three years and also expedited patent processing with upto 80 percent rebate. This initiative also supports skill development through mentorship programs and organizing workshops. The purpose is providing business knowledge and financial literacy. The start up India campaign empowers the marginalized groups by providing access to resources and funding. It successfully promoted innovation and created an inclusive ecosystem which contributed in equitable and sustainable economic growth in India.

**Mudra Yojana: The Pradhan Mantri Mudra Yojana launched in 2015 aims to provide loans to small enterprises; focus specially on empowering the women entrepreneurs.** Through this program, women entrepreneurs can get loans up to Rs 10 lakh to start, grow or update their businesses. The scheme provides micro-financing to women-led small businesses. Under this scheme the women entrepreneurs can access funding and financial support without requirement of collateral security, To promote gender equality and encourage participation of women in business, a significant portion of the scheme is reserved for women entrepreneurs. Women entrepreneurs engaged in non-farm, non corporate activities, small business, artisans and micro enterprises are eligible for the scheme. The scheme enables women to achieve financial independence, create self sustainable business and contribute to economic growth.

**Stand-Up India Scheme:** This scheme was launched in 2016 to strengthen the women entrepreneurship. It facilitates loans for women entrepreneurs from marginalized sections. The scheme offers benefits to start ups led by women entrepreneurs. It provides access to funding through venture capital funds and collaborations with the financial institutions. Women entrepreneurs can avail loan starting from Rs. 10 lakh upto Rs. 1 crore to launch the business. Income tax exemptions for the first three year of their start-ups, fast tracked patent processing and reduced cost of patent filing are also provided for women entrepreneurs. The scheme also support the women by providing mentorship, training and incubation centres. By removing challenges such as access to finance, legal support and business networks, the scheme plays an important role in empowerment of women entrepreneurs, contributing to economic growth, creation of jobs and a more inclusive entrepreneurial development.

**Women Entrepreneurship Platform (WEP):** This initiative was introduced by the NITI Aayog in March 2018 to promote a conducive ecosystem for women's entrepreneurship. NITI Aayog's digital platform promotes the women-led enterprises. This platform enables the women entrepreneurs to access support, network and tools to scale their business. WEP also aligns with the Sustainable Development Goal (Gender Equality) and focus on inclusive entrepreneurial ecosystem. There are three pillars of this platform: Iccha Shakti- Encouraging ambition, Gyan Shakti- Providing knowledge and resources, Karma Shakti- Offering hands on support. The WEP collaborates with corporate, funding agencies and NGOs. It is aimed at mentoring , funding and facilitating women led business. It is an online platform that provides access to e-learning modules, funding options and mentorship programs. Thousands of women entrepreneurs benefitted through WEP across diverse sectors. It also helped to overcome barriers such as access to capital, lack of networks and gender bias. WEP enables the women entrepreneurs to contribute to country's economic growth and sustainable development.

**Mahila Udyami Yojana:** The Mahila Udyami Yojana is an initiative of Govt. of India to encourage women entrepreneurs by providing them financial support for expanding their business. Under this scheme loans at subsidized interest rates, flexible repayment options and skill development programs are offered to the women entrepreneurs. The vision and aim behind the scheme is to empower the women financially and enable them to contribute to the economic development. Women between 18 to 60 years of age are eligible to apply under the scheme for starting an MSME. The loans are provided at lower interest rates and they can also get benefit of subsidy which further reduces the financial burden. The scheme also provides training programs for skill development, increasing their chances of success. As the scheme fosters women's participation in business, it contributes to inclusive ecosystem and help the women in achieving economic independence and contribute to the growth of the economy.

Several private sector initiatives, NGOs, and international organizations also support women entrepreneurs through mentor-ship, funding, and networking opportunities.

## **Case Studies of Successful Women Entrepreneurs**

### **Kiran Mazumdar-Shaw (Biocon)**

Kiran Mazumdar-Shaw is the founder of Biocon, a leading biopharmaceutical company. She started his company with limited resources and built Biocon into a global enterprise, proving that women can excel in STEM fields. Initially she faced challenges in the male-dominated industry. She established Biocon in a garage. She focused on producing enzymes initially. Later on under her able leadership Biocon developed products in areas such as autoimmune diseases, diabetes and cancer and expanded into biotechnology and pharmaceutical sectors. Shaw's vision led Biocon to become a global player in the biotechnology industry. The company provides affordable healthcare products. The success of Biocon is attributed to the innovative approach and commitment of Shaw. She was also named among the world's most powerful women by Forbes. Apart from the success in business she is known for her advocacy for women and her work in healthcare. She became a role model for women entrepreneurs. She demonstrated that determination, resilience and innovation can break all the barriers.

### **Falguni Nayar (Nykaa)**

Falguni Nayar, a former investment banker, founded Nykaa, an e-commerce platform for beauty products. In India today, Nykaa dominates the industry and is a household name for everything related to wellness and beauty. Nayar is one of India's most successful women entrepreneurs. Despite facing initial challenges, she successfully built a brand and become a household name and revolutionised the beauty retail industry in India. Nayar's leadership and vision helped Nykaa's growth, offering products such as skincare, personal use and cosmetics. Offering quality products and personalized services to clients and providing online and offline retail models distinguished Nykaa from other players in the market. Falguni Nayar is known for her bold and pioneering approach, empowering and encouraging women entrepreneurs. Her success is an example for the women how to be successful in the business world.

### **Richa Kar (Zivame)**

Richa Kar, the co-founder and former CEO of Zivame, an online lingerie retailer, disrupting traditional retail and addressing taboo topics around women's innerwear in India. Zivame was created to address the gap in the Indian market for comfortable, fashionable and affordable lingerie. Richa Kar's vision was to make the lingerie shopping a more personal and empowering experience for women. It also provided a wide range of choices that were hard to find previously. She also worked in various roles before launching Zivame. As she was passionate about solving the challenges faced by women in buying lingerie led her to start her own venture. Zivame became one of the leading online retailers. It not only offers a wide selection of products but also provides proper fit advice to customers. Zivame grew rapidly under the able leadership of Richa Kar, attracting significant investment and expansion of business through online and offline stores. She is recognized as one of the most successful women entrepreneurs, known for her innovative approach. Her journey with Zivame has made her a role model for the aspiring women entrepreneurs in the e-commerce and retail stores.

### **Vineeta Singh (Sugar)**

Vineeta Singh, the co-founder and CEO of SUGAR Cosmetics. The cosmetic brand has quickly become one of the most successful and recognized names in the industry. Vineeta Singh began her entrepreneurial journey after completing her education from IIT Madras and IIM Ahmedabad. She also gained experience working in various roles. The main focus was on high quality, affordable and cruelty free makeup products. The distinct marketing approach, vibrant packaging and trendy products, quickly gathered a loyal customer base. Sugar products stand out in the Indian market because of the bold colors and long lasting formulas. Sugar cosmetics expanded significantly under Vineeta Singh's leadership. The brand is selling the products both in online and offline mode. The company has also attracted significant investment. Vineeta Singh also gained popularity after participating in a reality show Shark Tank India as an investor. She also inspired many women entrepreneurs by providing financial support to them. She has become a role model for women in business. She also proved that innovation and determination can lead to success as entrepreneurs.

### **Recommendations for Promoting Women Entrepreneurship**

**Enhanced Access to Finance:** Banks and venture capitalists should develop gender-sensitive financial products. Through loan guarantee programs and micro finance, the government can expand women entrepreneurs' access to funding.

**Skill Development Programs:** Skill development programs can be organized to empower women entrepreneur. Government should focus on to provide training in digital skills, financial literacy and leadership to the women entrepreneur.

**Mentorship and Networking:** Government should take initiative in establishing mentorship networks to the female entrepreneur. It can provide guidance and opportunities for collaboration.

**Policy Reforms:** Simplifying business registration processes and offering tax incentives for women-led businesses.

**Awareness Campaigns:** Government can encourage others by promoting success stories of women entrepreneurs.

### **CONCLUSION**

In India, female entrepreneurs are essential to attaining social advancement and equitable economic growth. Despite their many obstacles, a supporting ecosystem can be established via the combined efforts of the government, financial institutions, and society. In addition to promoting gender parity, empowering female entrepreneurs is a calculated step toward the advancement of the country.

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### **CONFLICT OF INTEREST**

None.

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