

Women's Entrepreneurship in India

ISST and IWWAGE Position Paper

ACKNOWLEDGEMENTS

About IWWAGE

Initiative for What Works to Advance Women and Girls in the Economy (IWWAGE) aims to build on existing research and generate new evidence to inform and facilitate the agenda of women's economic empowerment. IWWAGE is an initiative of LEAD, an action-oriented research centre of IFMR Society (a not-for-profit society registered under the Societies Act). LEAD has strategic oversight and brand support from Krea University (sponsored by IFMR Society) to enable synergies between academia and the research centre. IWWAGE is supported by Bill & Melinda Gates Foundation.

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I. Introduction

Throughout the history of the world economy, economists have held varying views on what factors pre-eminently drive the growth of an economy. However, we can trace a gradual and emphasised acknowledgement of creative and venturesome individuals, bringing together labour and capital with innovation to catalyse growth, as an indispensable part of both growing and stagnant economies.

Although there are many definitions, an entrepreneur might be defined as someone who develops new ideas to base their independent initiative, using innovation to shape an economy by infusing wealth, time and energy. Entrepreneurs are the fourth factor of production (Marshall 1890) whose foresight and risk-bearing attitude ultimately add value to the entire socio-economic ecosystem.

Adam Smith believed that the basic psychology of human self-interest would drive any economy and eventually all individualistic, self-interested endeavours would lend to social good. The Classical Model of growth, however, did not recognise the role of efficient technological advances. The Neoclassical Growth Theory then postulated that technological change indeed has a significant influence on the growth and smooth functioning of an economy. Eventually, it was Romer's New Growth Theory (Jones 2019) which stated that together with technology—defined as the sum of creativity, knowledge and economic power—entrepreneurship and innovation are the principal driving forces for economic growth.

Entrepreneurs serve as catalysts in the process of industrialisation and economic growth. Technical progress alone cannot lead to economic development, unless technological breakthroughs are put to economic use by entrepreneurs. However, innovation requires individuals with entrepreneurial potential actively seeking new technologies, making entrepreneurs another 'factor of production', essential for markets to operate without distortions. Growth stories

of more developed nations like the USA and Japan (Bergsten 1998) proved that the necessary capital formation and distribution, required for increased economic status and its derivatives, to a great extent come from the enthusiasm of entrepreneurs ready to explore potentialities of a region's available resources.

Entrepreneurship is pivotal to any economy that hopes to remain dynamic. Entrepreneurial ventures, when successful, help in the advent of technological, economic and socio-cultural environment of a society. They create employment opportunities and wealth by opening up new markets and services. New products and more efficient production processes in turn boost productivity and competition in stagnating economies, contributing to their growth and improved quality of life. For individual female entrepreneurs, it further contributes to greater economic freedom and improved agency (Halabisky 2017).

Women's entrepreneurship has been considered an important instrument in achieving equity in the form of better quality of life for women in the developing world. Empowerment associated with female entrepreneurship changes a woman's position in the family unit, her community and society, not only through financial independence, but through her acquisition of a position in the national workforce traditionally left to men in developing and underdeveloped regions (Shah 2013).

Historical evidence shows that women have been pushed, rather than pulled, towards entrepreneurship out of a need to support their children or family, mostly when a male guardian has willingly or unwillingly been unable to provide the same. However, now younger women are willingly choosing to take on entrepreneurial ventures, with 58 per cent of female entrepreneurs in India being in the age group 20 to 30 years at the time of 'starting up'. Successful women entrepreneurs have been significantly contributing

to employment generation, socio-economic development, and further empowerment of the female cohort. But their contribution in India has to a great extent been subject to underlying facilitators and barriers (Lenka and Agarwal 2017). Over the past two decades, women entrepreneurs have come to be recognised for their significant contributions to socio-economic development in their countries. In India, women are still limited to the micro enterprise sector, both in rural and urban areas. It has become quite clear over the years that the role and contribution of female entrepreneurs in India has been pulled back by a myriad of socio-cultural systems still in place, and perceptions of the community against women leaders and female-headed firms.

Of the 13.76 per cent female entrepreneurs reported in India now, most are small business owners rather than real entrepreneurs by definition. Entrepreneurial intention, interests and activities truly suffer in underdeveloped regions which lack physical and human capital and a conducive industrial environment. Therefore, individuals shift from being innovators to imitators, bringing in existing goods or techniques to virgin regions (Burger-Helmchen 2012). However, even such ventures on the part of entrepreneurs can bring about rapid economic development in backward areas. Rural entrepreneurship, which at this time mostly comprised female business owners, when encouraged through government interventions can radically transform the standard of living in such underdeveloped regions.



II.

Trends and Pattern of Women's Employment and Entrepreneurship

India has recorded one of the lowest women's workforce participation rate (WPR) in the world, and the recently released Periodic Labour Force Survey (PLFS) 2018–19 indicates a further decline. According to the last available quinquennial Employment and Unemployment Survey (EUS) of the National Sample Survey (NSS), women's WPR was 32 per cent at the all India level during 2011–12, but according to the PLFS, it declined to 25 per cent in 2018–19.² It also notes that between 2011–12 and 2018–19, the WPR declined for both sexes in rural and urban areas, but the decline was the highest (by 10 percentage points) for rural women workers. In India, the persistent decline in women's WPR has attracted the attention of several economists and three hypotheses have been proposed to explain this decline (analysed up to 2011–12). These are: mismeasurement related to women's work (Ghosh 2016; Hirway 2012); lack of demand for jobs in occupations and industries suitable for women (Chatterjee et al. 2015; Kingdon and Unni 2001); and the supply side effect which shows that with an increase in household income, women, especially in poorer families, withdraw from arduous work (Himanshu 2011; Srivastava and Srivastava 2010; Thomas 2012). However, more recently, from 2011–12 onwards, there have been attempts to explain it in terms of the shift to more women engaging in unpaid household work which includes household chores such as cooking, cleaning, washing, shopping, caring for the elderly and children (Chakraborty 2019b). Surprisingly, for the same period (2011–12 to 2018–19), women experienced a decline in domestic and allied activity,³ which may be a welcome sign if there is any improvement in infrastructural facilities like increased access to drinking water and fuel on which women spend many hours. But, it could be a misclassification by investigators because of the corresponding shift to only domestic chores. Or, it

may be the result of more education, as suggested by the increase in open unemployment of women (Chandrasekhar and Ghosh 2020).

The low and continuous decline in women's WPR in India over the period 2011–12 to 2018–19 was accompanied by a significant change in the status of employed persons. The proportion of self-employed women and those in casual labour declined in the working age group (15–59 years), leading to a rise in the proportion of regular wage/salaried workers. However, the increase in regular employment for women would be a positive change if women's WPR had also increased, but in the absence of any such increase in WPR, there has been barely any increase in the absolute numbers of women employed in regular salaried jobs between 2011–12 and 2018–19. Additionally, a closer look at the classification of self-employed shows that own-account worker and employer best capture entrepreneurial activities, and over the years, the proportion of male entrepreneurs was much more than women entrepreneurs. Table 1 shows that the proportion of women's entrepreneurship increased by only 2 percentage points over the period 2011–12 to 2018–19. However, recording them as directors or working proprietors may create a false impression about the true nature of their work, as most of them are involved in outsourced manufacturing (mainly food processing, textile and garment manufacturing) and family-owned retail trade (like local grocery stores) (Chakraborty, The distressing situation of women entrepreneurs in India, 2019). On the contrary, the proportion of unpaid family helper was consistently more for women in all the years, but decreased for both over the same period (2011–12 to 2018–19).

² The WPR reflects for the productive age group of 15–59 years only.

³ Domestic and allied activity include domestic duties plus extended System of National Account (SNA) activities, such as free collection of goods like vegetables, firewood and cattle feed; water collection; sewing; tailoring; weaving; etc. for household use.

Table 1:
Status of Women's Employment in India from 2011–12 to 2018-19

Status of Employment	2011–12		2018–19	
	Men	Women	Men	Women
Self-employed	48.7	55.6	49.3	52.9
Own-account worker and Employer	37.3	19.6	41.3	22.2
Unpaid family helper	11.5	36	8.1	30.8
Regular wage/ salaried employee	21.2	13.4	26.1	22.9
Casual labour	30.3	31	24.6	24.2
Total	100	100	100	100

Source: Computed from NSS 68th round and PLFS (2018–19) unit level data on Employment and Unemployment.
 Note: Age Group 15–59 years and usual status of employment is considered.

Similarly, employment distribution across different enterprises and the proportion of workers engaged in these enterprises demonstrate that in India most of the enterprises are owned by individuals with less than six workers. Further, a strict gendered division is also observed in terms of operation of these enterprises. Table 2 shows that the majority of women proprietors (95 per cent)

operate in enterprises with less than six workers. The figure for men proprietors is around 70 per cent. This indicates that women entrepreneurs operate only small enterprises which are mostly informal in nature. The next section provides detailed characteristics of these women-owned enterprises in India.

Table 2:
Percentage Distribution of Workers Engaged in Different Types of Enterprises

Number of workers	Percentage of Men Proprietors		Percentage of Women Proprietors	
	2011-2012	2018-2019	2011-2012	2018-2019
Less than 6 workers	71	72.5	95	95
6 and above and less than 10	12.7	13.2	2.1	1.9
10 and above and less than 20	6.4	5.1	0.8	0.7
20 and above	6.8	5	0.9	0.7
Not known	3.1	4.2	1.2	1.7
Total	100	100	100	100

Source: Computed from 68th round and PLFS (2018–19) unit level data on Employment and Unemployment.

III.

Type of Ownership and Characteristics of Women-owned Enterprises in India

Enterprise surveys of the NSSO and the Economic Census conducted by the Central Statistics Office (CSO) are the two main official sources which provide estimates related to unincorporated sector enterprises. According to the latest Sixth Economic Census (2013), the total number of establishments increased from 41.25 million in 2005 to 58.5 million in 2013, registering a growth of 42 per cent. It was also observed that most of these establishments were operated under private ownership, and within this, own-account enterprises (OAEs) were foremost compared to establishments with hired workers. Further, over the period 2005 to 2013, OAEs grew at a higher rate (56 per cent) relative to establishments with hired workers (15 per cent). But gender disaggregated data provided a disquieting picture about women's entrepreneurship opportunities. Around 131.29 million persons were found employed in these 58.5 million establishments, but among them, 98.25 million persons (75 per cent) were men and only 33.04 million persons (25 per cent) were women. Table 3 shows that among the total proprietary establishments, only 15 per cent were run by women in 2013. However, over an intervening period of about eight years between the Fifth and Sixth Economic Census, women-owned proprietary enterprises increased by more than double. It also shows that over the period 2005 to 2013, there was a significant

increase in women-owned proprietary enterprises without premises—from 13 per cent to 39 per cent. This reflects the operational constraints and vulnerability the women entrepreneurs face because of the non-availability of any fixed place to run their enterprises. From 2005 to 2013, women-owned establishments without hired workers increased from 77 per cent to 83 per cent, while establishments with at least one hired worker declined from 23 per cent to 17 per cent. The increase in the number of women-owned establishments without any hired workers, along with no fixed workplace, indicates not only their limited operational scope, but also signifies the growing informalisation of women-owned enterprises. It also shows that over this period there was a decline in non-agricultural activities in women-owned establishments, along with an increase in agricultural activities. The majority of women-owned proprietary enterprises (more than three-quarters) were involved in different non-agricultural activities, and retail trade and manufacturing were dominant among them, together constituting 58 per cent of total non-agricultural enterprises. The majority of women-run proprietary enterprises were in rural areas, but during the period from 2005 to 2013, women-owned enterprises increased in urban areas from 26 per cent to 35 per cent.

Table 3:
Characteristics of Women-owned Establishments during 5th and 6th Economic Census

Type of Establishments	5th Economic Census (2005)	6th Economic Census (2013)
Total proprietary establishments (in million)	37.34	52.29
Women-owned proprietary establishments (in million)	3.54	8.05
Total persons employed in proprietary establishments (in million)	77.92	103.06

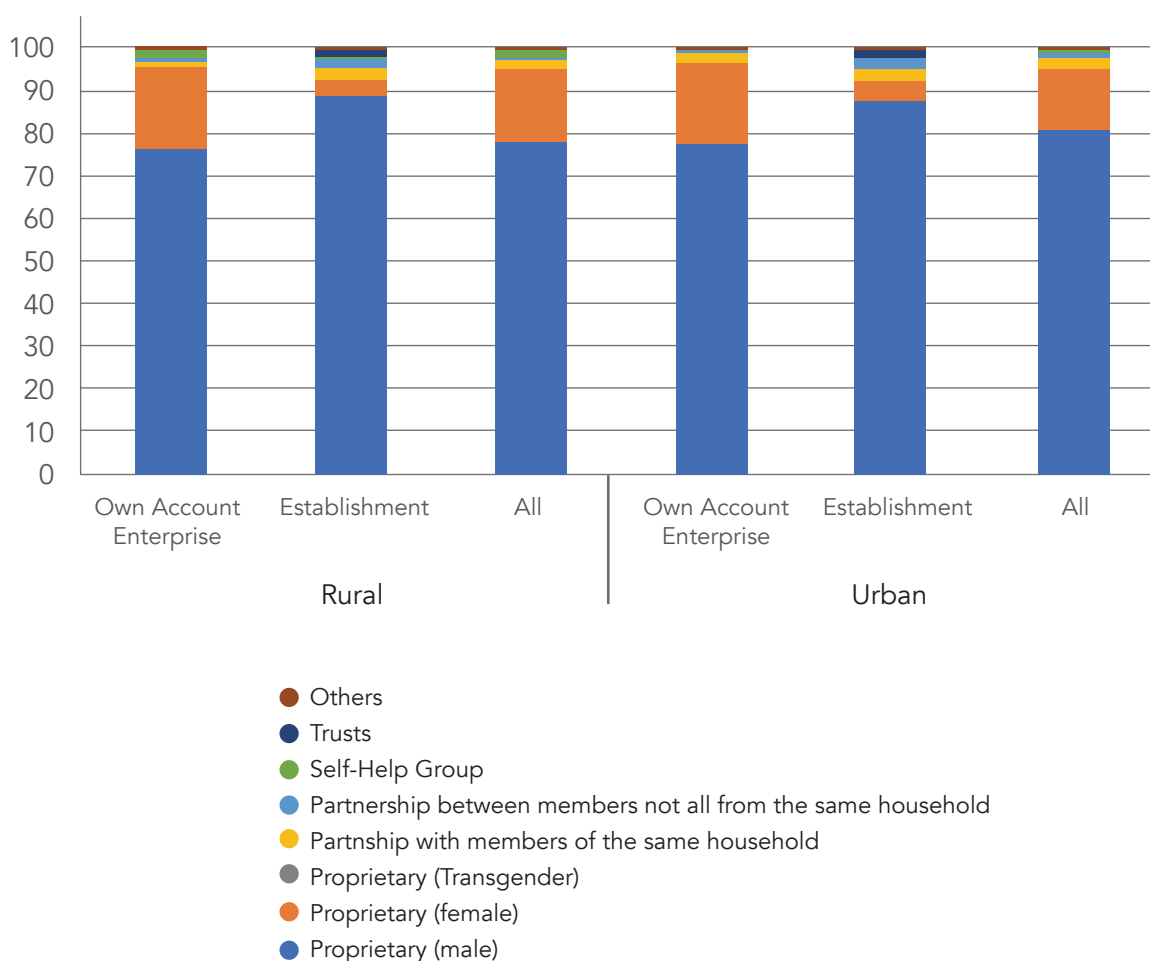
Workers engaged in women-owned proprietary establishments (in million)	6.05	13.45
Women's proprietary establishments with premises (in percentage)	86.8	61.5
Women's proprietary establishments without premises (in percentage)	13.2	38.5
Women's proprietary establishments without hired workers (in percentage)	77.1	83.2
Women's proprietary establishments with at least one hired worker (in percentage)	22.9	16.8
Women's proprietary establishments in agricultural activities (in percentage)	15.7	34.3
Women's proprietary establishments in non-agricultural activities (in percentage)	84.3	65.7
Women's proprietary establishments: Rural (in percentage)	74.1	65.12
Women's proprietary establishments: Urban (in percentage)	25.9	34.88

Source: Calculated from unit level data of the 5th and 6th Economic Census.

Like the Economic Census, the NSS 73rd round 2015–16 which excluded construction and conducted surveys on all unincorporated non-agricultural enterprises also presents a somewhat similar pattern. The NSS 73rd round shows that the majority of enterprises were run by small proprietors, and women had only a negligible portion. It also shows that at the national level, nearly one-fifth of the enterprises were proprietary enterprises headed by a woman and their concentration was mainly restricted to OAEs, where they had a share of about 22 per cent in both rural and urban areas in 2015–16. Among the bigger enterprises (i.e. establishments), women's share was only 4.8 per cent during 2015–16. Further, the total number of enterprises was estimated at 63.4 million, and they provided employment to approximately 111.3 million workers. The OAEs or proprietary enterprises accounted for 62 per cent of the workforce, and workers in the OAEs outnumbered those engaged by big enterprises in the country. Among all the sectors, women's OAEs were higher in manufacturing, with 45 per cent of OAEs headed by women in this sector (NSSO, 2017).

Figure 1 presents a sector wise break up of enterprises by types of ownership. It shows that across enterprises, proprietary enterprises (i.e. enterprises wholly owned by a single individual) had the highest share (96 per cent) in the unincorporated non-agricultural enterprises in both rural and urban areas. The dominance of proprietary enterprises was widely prevalent irrespective of location and enterprise types, and indicates the low level of operational capacity with limited employment generation opportunities. Among the enterprises, only 2 per cent were partnerships, and even these partnership enterprises were largely formed by the member of the same household. At the overall level, among the total enterprises, the percentage share of Self-Help Groups (SHGs) was less than 2 per cent, but their presence varied across locations. SHGs were largely found to be operational in rural areas (3 per cent) relative to urban areas (less than 1 per cent).

Figure 1:
Percentage Distribution of Number of Enterprises by Type of Ownership
for Each Sector and Enterprise Type



Industry specific analysis of enterprises suggests some interesting findings from both the Economic Census and NSSO surveys. According to the Economic Census, women entrepreneurs were mostly engaged in agriculture and related activities, and among the overall women-owned enterprises, almost one-third were found to be operational in agriculture. At the same time, there was a decline in women-run enterprises in the manufacturing sector from 34.9 per cent to 29.8 per cent between 2005 and 2013. But in the same period, there was an increase in women's entrepreneurship in other services sector from 2.9 per cent to 5.4 per cent, indicating the sectoral shifts for women entrepreneurs. Given the growth of the service sector and its momentous contribution to overall GDP and employment, it will not be an exaggeration to say that the service sector has immense potential to create employment opportunities. But it is already established that the informal nature of women-owned enterprises, along with their low level of operational capacity, will act as a deterrent for

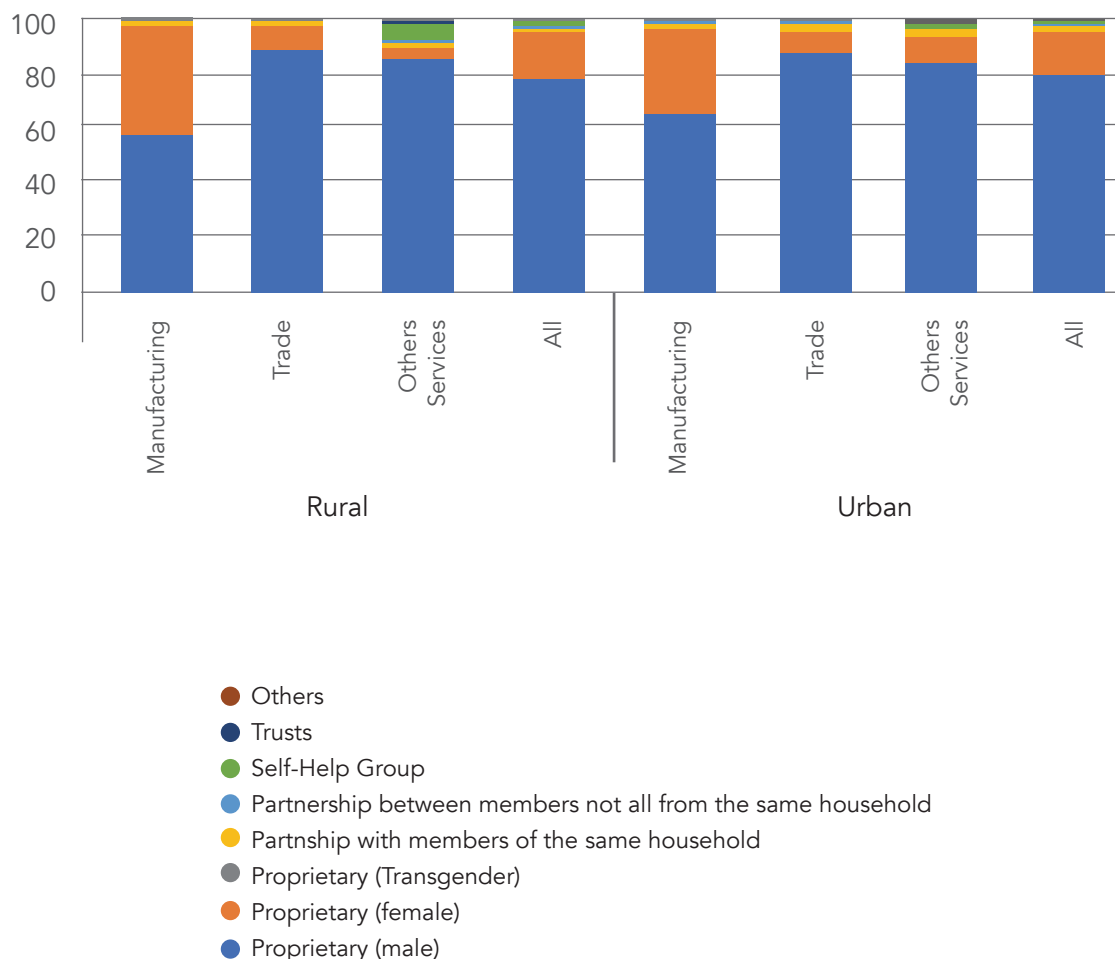
them not only to operate but also to grow their businesses.

A disaggregation by type of ownership across industries from the NSS 73rd round, which captures data from all unincorporated non-agricultural enterprises, shows that women's proprietary enterprises had a larger share in the manufacturing sector relative to trade and other services. Figure 2 shows that overall, the share of women's proprietary enterprises was 45 per cent in the manufacturing sector, while their share in trade and other services was 9 per cent and 7 per cent, respectively. Further, it is interesting to note that in the manufacturing sector, the share of women's proprietary enterprises was higher by 8 percentage points in rural areas compared to urban areas. It also matches with the overall finding of the NSS 68th round employment and unemployment schedule which suggested that over the period 1993-94 to 2011-12, the manufacturing sector recorded the highest increase in own-account employment among

women in both rural and urban areas. It is also worthwhile to mention that the share of women's enterprises was smaller in other services sector relative to manufacturing and trade, and it was even lower in rural areas compared to urban areas. These unincorporated non-agricultural enterprises were mostly managed by household-based proprietary and partnership firms. They were dominantly informal enterprises as their nature of operation was seasonal depending on the availability of raw materials and the demand for the products/services they produced. Therefore, it is evident that in 2015–16, women not only had lower rates of entrepreneurial activity, but also, among other non-agricultural enterprises,

they mostly ran small, own-account enterprises in the manufacturing industry. Women proprietors also face different structural barriers and social constraints in taking up any entrepreneurial activity, and, as a result, are mostly engaged in labour intensive and low-productive industries. (Bardasi, Sabarwal, & Terrell, 2011) explained that women choose smaller enterprises so that they can balance their unpaid domestic responsibilities at home, and also because they are averse to risk taking.

Figure 2:
Percentage Distribution of Enterprises by Type of Ownership for Each Broad Activity Category across Sectors



IV. Nature and Operational Characteristics of Women-owned Enterprises in India

An investigation of all the establishments engaged in various agricultural and non-agricultural activities provides useful insights to understand the operational and economic characteristics of women-owned enterprises in India. As already discussed, enterprises in India are mostly household-based proprietary and partnership enterprises, and the informal character of such enterprises is visible in their nature of operation. A small portion of these enterprises operate seasonally, depending on the availability of raw materials and the demand for the products/services they produce. Further, the socio-religious profile of women entrepreneurs reveals that in 2013, out of the total establishments owned by women entrepreneurs, Scheduled Castes (SC) and Scheduled Tribes (ST) owned only 19 per cent, while 81 per cent of women entrepreneurs

belonged to Other Backward Castes (OBC) and other forward castes (see Table 4). The lower share of entrepreneurship among SC and ST women indicates their marginalisation and limited scope in setting up business in spite of their higher overall WPR. Similarly, 66 per cent of women entrepreneurs were Hindu, and out of the total establishments, Muslim women constituted only 13 per cent. The lower participation rate of Muslim women in entrepreneurship is because of the social stigma that restricts women's mobility and entry, and keeps more Muslim women tied to hearth and home. Thus, women proprietors from marginalised groups like SC, ST and Muslims suffer from the double discrimination of being women and belonging to a discriminated or depressed caste or tribe.

Table 4:
Percentage Distribution of Establishments under Women Entrepreneurs by Religion and Social Group of the Owner

Religion	Percentage	Social Group	Percentage
Hindu	65.6	SC and ST	19.2
Muslim	12.8	OBC	40.6
Others	21.6	Others	40.2
Total	100	Total	100

Source: Calculated from unit level data of the 6th Economic Census.

One of the main characteristics of unincorporated non-agricultural enterprises is the presence of units which do not have any fixed location of operation. Table 5 shows that approximately 87 per cent of unincorporated non-agricultural enterprises were operated from a fixed location either within the households (about 44 per cent) or outside the households (about 43 per cent) in India during in 2015–16. It is also evident that in rural areas a comparatively larger proportion of OAEs and establishments were operated from within the household premises, while in urban

areas a significant proportion of OAEs and establishments were reported to have operated outside the household but from a fixed location. However, according to the Sixth Economic Census (2013–14), more than one-third (36 per cent) of all the establishments were home based, i.e. inside the household, while approximately 18 per cent establishments were operating from outside the household without a fixed structure. Around 45 per cent of establishments were reported to be operating from outside the household from a fixed structure.

Table 5:
Sector Wise Percentage Distribution of Enterprises According to their Location of Operation

Location of Enterprise	Rural			Urban			Total (Rural + Urban)		
	OAE	Establishment	All	OAE	Establishment	All	OAE	Establishment	All
Within household premises	56.2	26.5	53.7	40.3	12.9	33.9	49.2	16.7	44
Outside household premises with fixed location	28.9	64.3	31.9	44.2	85.3	53.8	35.6	79.5	42.5
Outside household premises without fixed location	14.8	9.3	14.3	15.6	1.8	12.3	15.2	3.9	13.4

Source: Same as Figure 1.

A further look into the types of ownership by using the NSS 73rd round revealed that 80 per cent of women’s proprietary enterprises operated from within the household premises, and 3 per cent of them operated without a fixed location in 2015–16. It was also seen that nearly half of the male-owned enterprises operated from a permanent fixed structure, and men had less chance of operating from the house. It indicates the strict gender division in location of operation

of the proprietary enterprises owned by men and women. In addition, a significant number of women entrepreneurs faced various operational issues while running their enterprises, and among them, shrinkage/fall in demand was one of the biggest challenges in both rural and urban areas (Chakraborty, The distressing situation of women entrepreneurs in India, 2019). Women proprietors also suffered from lack of access to a variety of basic infrastructural facilities.



Image: ICARDA - Science for Resilient Livelihoods in Dry, Flickr

Figure 3:
Access to Basic Infrastructural Facilities of the Enterprises

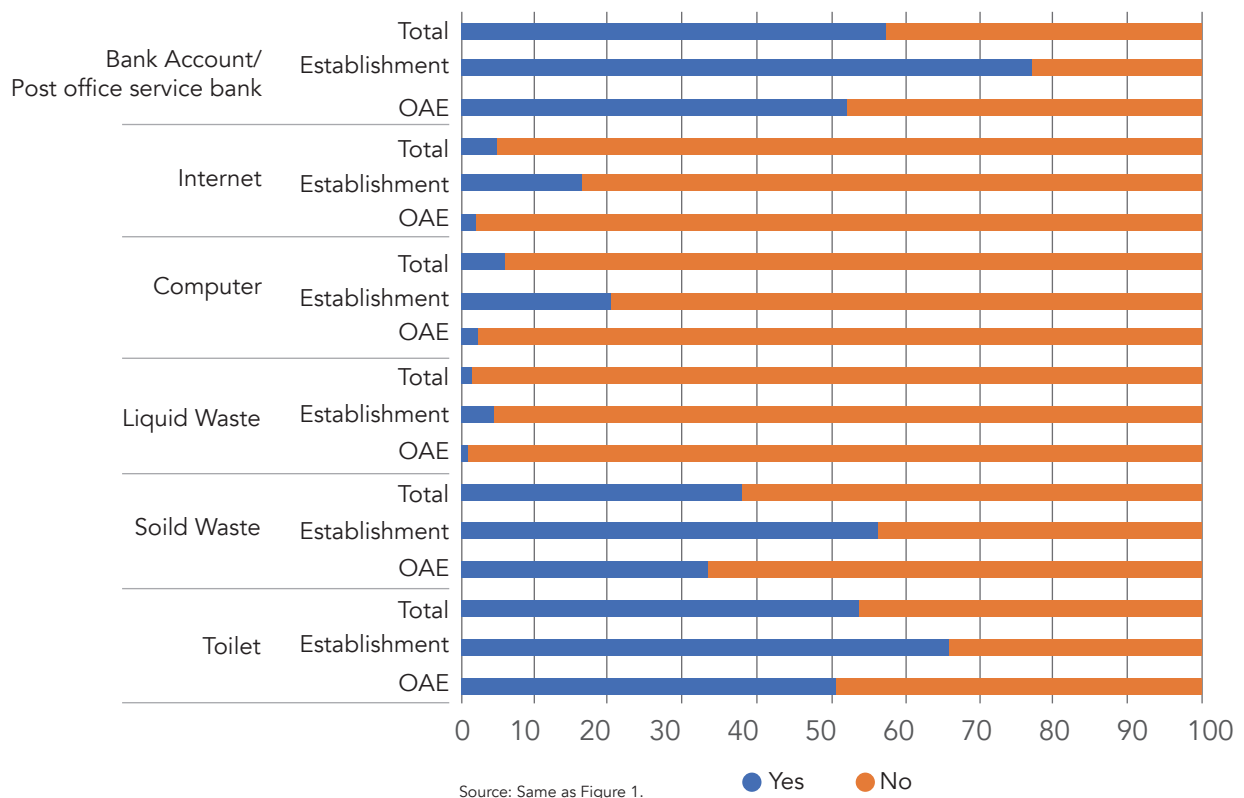


Figure 3 shows the availability of basic infrastructural facilities like toilets and waste management, internet facilities, availability of bank/post office accounts, and use of computers within the enterprises. It was observed that out of the total enterprises, only 54 per cent had access to toilet facilities, 62 per cent did not have any solid waste management facility, and only 2 per cent had provision for liquid waste management. A further disaggregated division across types of ownership of enterprises revealed that only 23 per cent of women proprietors had toilet facilities, and 18 per cent and 10 per cent had access to solid and liquid waste management, respectively. Across the enterprises, 98 per cent OAEs did not use computers, and only 20 per cent of establishments used computers for their operations. Similarly, only 5 per cent of the total enterprises and less than 2 per cent of OAEs used internet facilities in 2015–16. At the all India level, 57 per cent enterprises-maintained bank accounts/post office savings account in the owner’s name only; 43 per cent did not have any bank account; and more than half of the women proprietors did not have any bank/post office

savings accounts. Thus, access to different basic infrastructural facilities indicates that women are further deprived of many of these essential services. This not only signifies their limited scope of operation, but also restrains their business expansion in future.

Despite these difficulties in operating women-owned enterprises in India, the majority of such enterprises operated almost throughout the year (perennial in nature). But, it is important to note that between 2005 and 2013, women’s ownership in perennial entrepreneurship declined by 4 per cent. On the contrary, women-owned enterprises that were seasonal in nature witnessed an increase from 7.5 per cent to 9 per cent over the same period. Table 6 shows the percentage distribution of enterprises by their nature of operation for women proprietors and highlights that in 2013, about 89 per cent of the total estimated number of women’s proprietary enterprises were perennial in nature; 9 per cent were seasonal enterprises; and the remaining 2 per cent were operating intermittently in 2013.

Table 6:
**Percentage Distribution of Establishments under Women
 Entrepreneurs by Nature of Operation and Sector in 2013**

Nature of Operation	Total
Perennial	89
Seasonal	9.03
Casual	1.97
Total	100

Source: Same as Table 4.

Since the majority of women-owned establishments were perennial, it is important to analyse whether the perennial status of the establishment had made it easy to access finance and other credit facilities for effective functioning of the enterprises. It is disturbing to note that

79 per cent of women-owned establishments were self-financed, and financial assistance from government sources was limited to only 3 per cent in 2013 (see Table 7). This indicates that access to finance was one of the major challenges to women taking up entrepreneurship.

Table 7:
**Percentage Distribution of Women-owned Establishments by
 Major Source of Finance in 2013**

Access to Finance	6th Economic Census (2013)
Self-finance	79.1
Financial assistance from govt. sources	3.4
Borrowing from financial institutions	1.1
Borrowing from non-institutions/moneylenders	0.8
Others	15.7
Total	100.0

Source: Same as Table 4.

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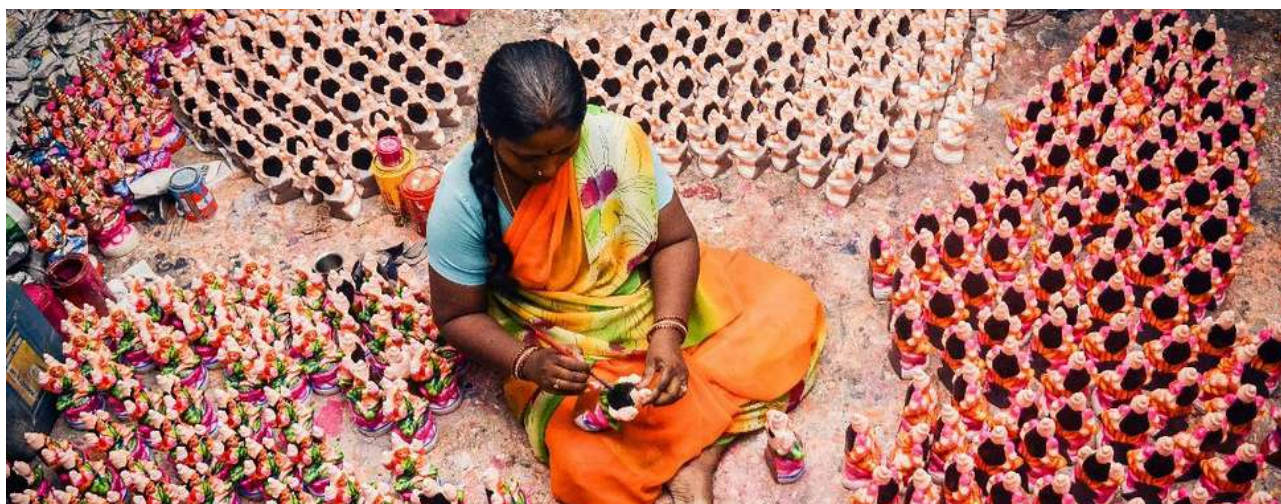


Image: Hand in Hand International, Flickr

V.

Challenges for Women's Entrepreneurship and Government Initiatives

Every entrepreneur, regardless of gender, finds that starting a business has its challenges, which has been discussed elaborately in the previous sections. To briefly reiterate, these include generating funding, penetrating the market, limited understanding of customers, and a complex regulatory environment. Women entrepreneurs additionally face obstacles to education, societal barriers to mobility, and the burden of household work, childcare and safety concerns, not to mention the lack of personal physical and financial assets, difficulty in getting starting capital from formal institutions, lack of networking knowledge in the male dominated business world, and direct or indirect biases.

In India, existing social norms still expect women to be solely responsible for the household, with Indian women spending five times as much time as men on housework and caregiving (Singh and Pattanaik 2020)—undeniably unpaid acts of labour. Therefore, women who aspire to go out into the world, juggling work and home, need to be supported not only by their families, but also by society as a whole, giving them the respect, encouragement, safe environment and infrastructure to succeed. Most of the female workforce in India does not have access to maternity benefits and childcare facilities due to the informality of the industries they generally work in, and women entrepreneurs even more so. In addition, non-discriminatory and safe work environments are needed to help retain qualified women, especially in the more arduous technology driven sectors.

In India, the majority of women-owned enterprises run as sole proprietorships and women's entrepreneurship is rising mostly amongst entrepreneurs who do not hire workers. The Sixth Economic Census (2013–14) stated that women-owned establishments provide employment to 13.45 million people, or 10.2 per cent of the population. However, a conspicuous 83.2 per cent are without any hired workers, which means they

do not generate any employment and rather rely on unpaid family help. On average, at this time, women-owned enterprises employ approximately 1.67 persons. However, firms that employ more people and those that do not are vastly different in terms of their contribution to the economy: more hired labour suggests that ventures are more likely to experience growth, their activities streamlined, and are usually seen to establish better infrastructure.

For female entrepreneurship to have a catalytic effect on employment and the economy, investments in women's education, skills and assets is of paramount importance. The five states with the highest percentage of female entrepreneurs (Tamil Nadu, Kerala, Andhra Pradesh, West Bengal and Maharashtra) also have comparably higher literacy rates (Gupta 2009). Regions where women are seen in leadership roles are usually those where investments in their education have been made, which in turn helps future generations face fewer socio-economic barriers to enter the market. The existing gaps in access to education, financial inclusion, legal rights to ownership of assets and even skill training—like small and medium-sized enterprises (SMEs) training programmes—do not allow women to build large scale, innovative and technology driven businesses. Only the elimination of such a skewed and iniquitous environment can allow women to cross over from informal or unpaid work to set up ventures that generate employment and contribute to both economic growth and equality.

Besides education, the lack of quality jobs and business opportunities for women also operate as a barrier in India. Even with a visible increase in access to higher education, there was a 9 per cent fall, from 36.8 per cent to 33.5 per cent, in the female labour force participation rate (LFPR) amongst women in the age group 35 to 39 between 2011–12 and 2017–18. The manufacturing sector has been unable to provide formal, wage-earning employment opportunities that suit women,

thereby denying them opportunities for technical and vocational skills training or work experience. The small proportion of business-owning women too fail to develop highly productive and revenue generating businesses due to insufficient market information about prices, inputs and competitors. The non-employment of the female workforce in higher executive positions also does not permit them to be a part of prominent industry networks. This impedes their progress as they miss out on important opportunities to connect with people and eventually get equal access to the market.

With regard to access to finance, according to the Findex Global Database, between 2014 and 2017, India's male to female gender gap in ownership of active bank accounts shrank from 20 per cent to 6 per cent, due to the government's recently increased efforts to raise account ownerships under the Jan Dhan Yojana. Most female entrepreneurs usually have to depend on their own savings,

loans from family and friends, or micro-loans to finance their business needs. A study by World Bank Group member IFC reports that in 2012 in the micro, small and medium enterprise (MSME) sector alone, there was a finance gap of USD 116 billion, equivalent to 73 per cent of the total demand. Although ventures like the '59-minute loan platform' which allows easy access to credit for MSMEs have seemingly facilitated the rise in the World Bank's 'Women's Financial Inclusion (F/M)' indicator score for India from 58.2 to 69.0 between 2017 and 2019, the substantial lack of capital deters setting up large scale projects or more innovative, capital-intensive ventures. Hence, the 58 per cent female entrepreneurs in India who start businesses between 20 and 30 years of age have to rely largely on self-financing their ventures, for which they need to have considerable savings, inherited capital assets, or physical property that can be mortgaged.

Government initiatives to promote women's entrepreneurship

The emphasis on women's entrepreneurship is also manifest in several programmes rolled out by the government, as well as older programmes which have been modified to facilitate women's businesses. These are discussed briefly.

The government's Stand-Up India scheme facilitates bank loans from INR 10 lakh to 1 crore to at least one woman per bank branch in the country to support entrepreneurship among women, SC and ST communities in enterprises in manufacturing, services and trade.

The Trade Related Entrepreneurship Assistance and Development (TREAD) scheme for women assists in the form of grants up to 30 per cent of total project cost, while the remaining 70 per cent is financed by a lending agency as a loan for undertaking activities as envisaged in an entrepreneurial venture. The grant is utilised for training, counselling and tie-ups for marketing, over and above capacity building for women.

The Rashtriya Mahila Kosh also gives out multiple loans of up to INR 10 lakh under various schemes to help women from new and smaller organisations to 'start-up'.

The government set up the financial institution, Micro Units Development and Refinance Agency Limited (MUDRA) for the purpose of refinancing

small businesses, including start-ups, by providing funding to the informal, small business sector via loans in three categories based on the growth and development status of a business.

The Women Entrepreneurship Platform (WEP) by NITI Aayog has been created to accelerate female-led tech ventures by Zone Startups India to provide them with dedicated support. It helps aspiring women to connect with relevant people in their industry and fosters networking amongst female entrepreneurs themselves. The Platform also assists in fundraising, training entrepreneurs to pitch ideas, and connecting them with potential investors. The Atal Innovation Mission (AIM), also undertaken by NITI Aayog, helps promote the culture of innovation and entrepreneurship in different regions. Together, WEP and AIM are combining efforts to handhold entrepreneurs in their journey.

Startup India has launched a nation-wide women's entrepreneurship programme (WING) which organises both basic and advanced workshops for aspiring and existing innovators, respectively focusing on knowledge sharing and how to kick start entrepreneurial aspirations with capacity building for female entrepreneurs.

However, the fruits of these designs are yet to be witnessed. From the empirical analysis in the

previous section, it is clear that there is still a long way to go in terms of achieving the entrepreneurial goal for women. The data clearly shows that women start businesses out of necessity and not out of aspirations, and are usually embedded in the vicious cycle of low scale micro and nano businesses, with almost no capacity of scaling up.

Only the synergised efforts of all stakeholders across the entire business ecosystem can help create a gender-inclusive environment and raise India's performance on several gender parity indices. In addition, a stronger push is needed to encourage the private sector to step up and set up funds to encourage female entrepreneurship

and ensure easier availability of capital for them. There is a need to provide more incentives for aspiring women and make their perception of entrepreneurship more gratifying.

In addition, marginalised women need to be made aware of the existing programmes and incentives being offered by the government and non-government entities. Therefore, the next urgent step should be the two-fold approach of first, creating awareness about existing programmes, and second, facilitating women in the workforce to become more capable of making their ventures successful.



Image: Hand in Hand International, Flickr

VI. Concluding Comments

In the above context of women's employment, it is important to distinguish between women's self-employment and wage employment. With regard to female labour statistics in India, self-employment must not be considered synonymous with entrepreneurship since the former is not a sign of better economic performance, but rather a characteristic of less developed economies.

In India, as in other developing nations, non-discriminatory social attitudes need to be foregrounded to encourage higher female participation in the labour force and growth of female-led enterprises. Quotas for female representation in state and national parliaments and even gram panchayats can help other women to gain confidence in their aspirations and economic prowess by standing up to economic biases.

An increase in female entrepreneurship could be one of the mechanisms to bring women back into the labour force. Provisions for scaling

up and sustaining women's enterprises also have the potential to create jobs for women as female leaders tend to recruit more women (Kapitsa 2008). Vocational, business and training programmes for soft skills positively affect both women's income and non-cognitive skills like self-efficacy, aspirations and agency. These are essential to boosting an individual's attitude towards their own social and economic standing. That is where programmes and policies which specifically nurture such behavioural changes can come into play.

In closing, any positive change in the state of female labour force participation and entrepreneurship needs to be more focused on both demand side issues, like discrimination and legal disparities, and confidence in female credit risk and skill development, along with equally salient supply side issues such as women's attitude towards owning, operating and scaling businesses.



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