



Nurturing women entrepreneurs in India: Present status and future outlook

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Abstract

Women entrepreneurship is increasingly recognized as a vital driver for India's socio-economic growth, contributing to job creation, innovation and inclusive development. This paper explores the current status of women entrepreneurs in India, analysing their significant contributions, the pervasive challenges they face and the role of government initiatives. Despite notable progress, particularly in the start-up ecosystem, women-owned enterprises still represent a modest share of the total Business landscape. Key hurdles remain, notably limited access to finance, the burden of dual responsibilities and persistent socio-cultural biases. The paper concludes by outlining a promising future outlook, emphasizing the need for targeted, scalable interventions-particularly in technology adoption and high-growth sectors to fully unlock the transformational potential of women-led businesses for India's 'Women-Led Development' goal.

Keywords: Development, e-commerce, employment, enterprises, entrepreneurs, entrepreneurship, growth, start-up, women empowerment

Introduction

Entrepreneurship among women is a cornerstone of women's economic empowerment and a powerful catalyst for achieving broader national development goals, including the Sustainable Development Goal (SDG) 5: Gender Equality. In India, a country aiming for a multi-trillion-dollar economy, the role of women in the workforce and as creators of economic value is paramount. The shift from a paradigm of "Women's Development" underscores the importance of this group. This research paper aims to provide a comprehensive analysis of women entrepreneurship in India of women, structured around following objective: -

1. To assess the present status and contribution of women-owned enterprises in India.
2. To identify the key challenges and barriers hindering the growth of women entrepreneurs.
3. To evaluate the support ecosystem, including government schemes and institutional initiatives.
4. To project the future outlook and propose actionable strategies for nurturing women entrepreneurs.

Present Status and Contribution

Women-owned enterprises in India are demonstrating resilience and are making a significant to the economy.

1. Scale and Sectoral Presence

- **Quantitative Presence:** India currently has an estimated 13.5 – 15.7 million women-owned enterprise, representing approximately 20% of all enterprises. While substantial in absolute numbers, a large majority of these are single-person enterprises, often operating in the micro, small and medium-sized enterprise (MSME) sector and primarily focused on self-employment.
- **Employment Generation:** These enterprises collectively provide direct employment for an estimated 22 to 27 million people.
- **Start-up Ecosystem:** There is a discernible increase in women-led start-ups, particularly in the tech space. As

of late 2024, over 73,000 start-up India initiative have at least one women director. High profile women entrepreneurs like Falguni Nayar (Nykaa), Ruch Kalra (OfBusiness), and Ghazal Alagh (Mamaearth) symbolize this growing trend.

- **Sectoral Concentration:** Traditionally, Women's enterprises have been concentrated in low revenue sectors like handicrafts, tailoring, food processing, and certain services. However, the rise of modern entrepreneurs is leading into technology healthcare, education, and e-commerce.

2. Economic Impact

The economic contribution of women in India, including their entrepreneurial activities, accounts for about 17% of the GDP, which is less than half the global average. Studies suggest that increasing the female labour force participation rate and the scale of women-owned business could significantly boost India's GDP growth. The shift from 'subsistence-level' entrepreneurship is key to unlocking this potential.

Challenges and Barriers

Despite the rising prominence, women entrepreneurs in India confront a unique set of interlinked challenges that restrict their scaling and success.

1. Financial and Economic Barriers

- **Limited Access to Capital:** This remains the most significant barrier. Women often lack ownership of substantial assets (land, property) which are typically required as collateral for bank loans. Furthermore, investors may exhibit biases, resulting in a lower percentage of Venture funding going to women-led businesses.
- **Risk Aversion:** Due to a lack of economic independence and a protected upbringing, women may exhibit a lower risk bearing capacity compared to their male counterparts.

2. Socio-Cultural and Gender Barriers

- **Patriarchal Norms and Dual Responsibility:** Women are overwhelmingly expected to prioritize domestic duties and unpaid care work. This “dual responsibility” creates immense pressure and limits the time and energy they can dedicate to scaling their business, often leading to challenging work-life integration.
- **Gender Bias and Discrimination:** Women frequently encounter gender bias in the marketplace, when seeking partnerships, and in formal business networks, which are often male dominated. Limited mobility and safety concerns also restricts their ability to travel for business and networking.
- **Lack of Role Models and Networks:** A scarcity of successful, visible women entrepreneurs in high-growth non-traditional sector limits inspiration and guidance for aspiring female founders.

3. Institutional and Skill-Based Barriers

- **Limited Access to Technology and Information:** A lack of technical education and poor digital literacy, especially in rural areas, can hinder their ability to adopt technology for innovation and market expansion.
- **Legal and Regulatory Hurdles:** Navigating complex legal procedures, such as obtaining licenses and securing property rights can be particularly cumbersome for women due to prevailing social structures.

Government Initiatives and Support Ecosystem

The Government of India has launched several targeted schemes to bolster women entrepreneurship.

1. Financial Support Schemes

- **Stand-up India Scheme:** Facilitates banks loans between Rs. 10 lakhs and Rs. 1 Crore to women and SC/ST borrowers for setting up a Greenfield enterprise.
- **Pradhan Mantri Mudra Yojana:** Offers collateral-free loan up to Rs. 10 lakhs under three categories (Shishu, Kishor, Tarun) for non-corporate, non-farm small/micro enterprises, a substantial portion of which benefits women.
- **Mahila Udyam Nidhi Scheme:** Provides financial assistance up to Rs. 10 lakhs for setting up new small-scale ventures or expanding existing ones.

- **Fund of Funds for Startups:** Reserved 10% of the allocation for women-led start-up, a dedicated financial support measure.

2. Development and Networking Platforms

- **Startup India Initiative:** Recognizes women-led start-ups and provides them with various benefits and handholding support.
- **Women Entrepreneurship Platform:** An initiative by NITI Aayog that provides a unified access portal for women entrepreneurs to access knowledge, funding, incubation, and mentorship.
- **TREAD Scheme (Trade Related Entrepreneurship Assistance and Development):** Focuses on economically weaker section by providing financial assistance, training, and counselling.

These schemes reflect a strong policy intent to empower women economically, yet their effectiveness is often hampered by low awareness, complex application process, and the need for greater last-mile delivery.

Future Outlook and Recommendations

The future of women entrepreneurship in India is promising, poised for accelerated growth, especially with the strategic leveraging of digital technologies and supportive policy frameworks.

1. Promising Outlook

- **Digital Integration:** The rise of e-commerce and digital platforms offers women entrepreneurs a powerful tool to overcome geographical limitations and access wider markets more effectively than traditional brick-and-mortar businesses.
- **Focus on High-Growth Sectors:** There is a clear trend towards women entering high-impact, employment-creating sectors like FinTech, HealthTech, and EdTech, moving beyond traditional low-growth industries.
- **Policy Acceleration:** Continued focus from the government on ‘women-led development’ and the implementation of various support structures are expected to simplify the entrepreneurial journey.

2. Recommendations for Nurturing Growth

To truly unlock the potential of the estimated 30 million women-owned enterprises needed to put India at par with advanced economies, a multi-pronged approach is required:

| Focus Area | Recommendation | Rationale |
|-----------------|---------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| Finance | Collateral Free & Subsidized Credit | To address the primary barrier of limited asset ownership and low risk-bearing capacity |
| Ecosystem | Enhanced Digital Literacy Training | To ensure all women entrepreneurs can leverage e-commerce, digital marketing, and essential technologies for scalability |
| Mentorship | Formalized peer to peer Networks | To break the isolation, provide sector specific guidance, and build confidence through successful role models. |
| Social-cultured | Should parental leave & support for unpaid work | Policy incentives for men to show domestic responsibilities and accessible childcare facilities to reduce the dual burden on women. |
| Market Access | Mandatory Government/corporate procurement quotes | Reserving a percentage of procurement for women-led MSMEs to ensure stable market opportunities and growth |

Conclusion

Women entrepreneurs are not just a social imperative but on economic necessity for India. Which the present status reflects significant strides-evidenced by the growth in women-led start-ups and robust government policy- a vast potential remains untapped. the primary challenges lie in transforming the majority of women-owned enterprises from 'subsistence-level' self-employment into high growth high impact businesses. By dismantling the financial, socio-cultural, and skill-based barriers through targeted policy interventions and a shift in societal mindset, India can successfully nurture its women entrepreneurs. This will not only empower women individually but also accelerate India's journey towards inclusive and sustainable economic prosperity.

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