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OPINION

Boosting the entrepreneurship sector with focus on women can help revive the country's economy

By Naghma Mulla | 30th Oct 2020




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Encouraging women entrepreneurs by providing interest-free loans, mentorship programmes and skill development will give an impetus to the country's economy and inspire confidence among women to be self-reliant.

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The Indian economy has been striving for growth in the last few years, and in the year 2019, the country faced a severe economic slowdown with the overall consumption and demand facing a serious and continuous decline. With the onset of the COVID-19 pandemic early this year, economies globally and more so in low- and middle-income countries are going through a severe economic shock leading to falling incomes and purchasing power, job loss, greater urban-rural disparities and low productivity.

Now with Atmanirbhar Abhiyan (self-reliant India), entrepreneurship can be a major driving force to help the economy grow. And within this, the role of women entrepreneurs is well recognised today as a significant parameter and benchmark in any country's transformational journey.

Without the participation of women, community programmes at grassroots cannot be successful as demonstrated by several self-help group movements and women's cooperatives in India such as SEWA and AMUL.

The government has accelerated several schemes to boost the participation of women in entrepreneurial spaces. For example, the National Skill Development Policy has provided skill training, entrepreneurship development and vocational education, thus transforming the lives of more than 35.56 lakh women through various nationwide programmes in the last decade. Under Pradhan Mantri MUDRA Yojna, a collateral-free loan of Rs 10 lakhs can be availed by entrepreneurs for activities allied to agriculture in the non-agriculture sector.

However, the gains of the last decade should not be allowed to be frittered away or disrupted amidst the COVID-19 pandemic. In the last six months, challenges have amplified for businesses as demand for products reduced. Many women-owned enterprises could not avail government or public assistance programs. Transport restrictions too had disrupted receipt of input material and delivery of products.

Furthermore, the pandemic has given rise to unpaid care work that women provide and there has been a reduction in external investment towards women-led enterprises as businesses continue to be affected due to disruption in supply chain, low footfalls, no local markets, loss in disposable income and low consumer confidence.

It is time that we change the narrative. A 2018 World Bank report ranked India 120th among 131 countries in terms of female labour force participation. Women in India only represent 24% of the labour force compared to the global average of 40%.

We are at a very challenging time at present and some immediate steps can include greater investment in skill development, financial inclusion programmes and STEM education for adolescent girls, and the government has encouraged this in the past through schemes such as Knowledge Involvement Research Advancement through Nurturing (KIRAN).

Secondly, established women entrepreneurs through mentorship programmes can help upcoming entrepreneurs by giving operational advice, financial assistance, marketing and networking opportunities.

Corporations also need to step in more actively to encourage women-owned business as part of their CSR programmes, particularly in non-traditional zones. Additionally, incubators and accelerators can play a major role in helping women entrepreneurs tap potential areas. Pandemics such as COVID-19 which do not distinguish between masses, highlight the need for reshaping the economic and gender paradigms. This is the right time to review, rethink and engage with all relevant stakeholders to formulate a collective response to revive India's economy with the active participation and contribution of women entrepreneurs.

As a country where gender bias is still widely prevalent, women, and more so rural women, face various challenges when it comes to their role within the entrepreneurship sector. Lack of financial resources was a key issue faced by women along with a reluctant mindset that is seen when it comes to investing money in business ventures led by women.

Access to capital is still a challenge for women across India, as leaders are skeptical of investing in women's businesses.

Rural women's participation in business for a long time has been restricted to traditional cottage business such as pickle-making, basket-weaving, embroidery or garment manufacturing due to the lack of other skills and additional training from experienced mentors.

However, in the last few years, there was a gradual entry of women, with the support of the non-profits and development sector, in technology, agriculture, dairy farming, food processing, electronics and paramedical services which have been adding value to the entire ecosystem which will eventually lead to a boost in the economy.

(Disclaimer: The views and opinions expressed in this article are those of the author and do not necessarily reflect the views of YourStory.)