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# Challenges and opportunities – Why women entrepreneurship lags in India despite governmental initiatives

Columns



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Women entrepreneurship has the power to create jobs, encourage self-reliance and create balance for gender equations in our society to transform the face of the economy.

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Women constitute half the population. However, this number is not reflecting proportionately on the country's economic growth, be it the labour force participation or their visibility in the entrepreneurship space. You will find that India's startup trend is seen to be led by men. India's business environment is not conducive for women entrepreneurs owing to several social, economic and financial barriers that they face.

So, what is this percentage of productive population doing? Sixty per cent of Indian women between the age group of 15 to 59 are involved in full-

time housework, according to the Economic Survey 2020.

The Indian Government survey in 2016 had found that out of the total 58.5 million business founders, only 8.05 million are women. Although several schemes have been accelerated by the government to encourage women's participation in the economy, the awareness about these schemes is quite low in our country. Some of the best nationwide schemes that are transforming lives of women entrepreneurs include the National Policy on Skill Development to promote skill training, entrepreneurship development and vocational education and MUDRA Yojana, which is a collateral-free loan of Rs 10 lakhs that can be availed by entrepreneurs. However, the numbers continue to be abysmal. Furthermore, the COVID-19 pandemic has pummeled female participation in the workforce. Therefore, the need of the hour is to improve their workforce participation through non-conventional means of entrepreneurship.

We need to change the narrative that women's potential is limited to traditional businesses like garment making, pickle making, and skills related to the kitchen, among others. Women entrepreneurship has the power to create jobs, encourage self-reliance and create balance for gender equations in our society to transform the face of the economy. The 2020 report "Powering the Economy with Her" by Bain & Company states that women entrepreneurship has the potential to create 30 million enterprises that are owned by women and this can lead to employment generation. The women entrepreneurship model has huge untapped potential to get more women from the productive age group of 18-59 to the workforce. The model can contribute in a big way to achieve the central government's mission to make India a \$5 trillion economy by

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numbers of women entrepreneurs in India. First and foremost, it is women face in the field of entrepreneurship. Some of these

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challenges can be attributed to pre-existing and deep-rooted biases against the business management skills of women and traditional views on gender roles which are deeply engraved in the patriarchal mindsets of the people of this nation.

Access to capital is another big issue due to insufficient support from the family and absence of property documentation in their names which in turn proves to be an obstacle for them as they may not be able to use it as a collateral to obtain financial support. In addition, women do not want to take loans because they do not want to put their family and family's property at risk. Banks, also, consider women to be less worthy of credit and therefore do not encourage women to take loans as they succumb to the popular belief that women may leave their business at any given time due to family pressure.

There are other concerns too like child-care, household chores and workplace safety which confine women to their homes. Women also face prejudices about how men are the more suitable gender to handle financial matters, further reinforcing the belief that business is not a women's forte.

There is no formula for a policy that can encourage women entrepreneurship; however, a mix of different initiatives can bring about a much-needed change.

- To begin with, collaborating with NGOs, CSOs and other volunteers to educate women and their families about the available government policies can help create higher awareness.
- Further, promoting change in perception about women's potential, and highlighting the benefits of women entrepreneurship for the family's overall societal status and lifestyle can inspire families to encourage entrepreneurship among women.
- Involvement of corporates is pivotal as their CSR funds can be utilised in addressing the initial logistical and strategic hurdles that come in the way of achieving this change and push women-owned enterprises, specifically in the non-traditional areas.
- Furthermore, incubators can support women entrepreneurs by providing access to career fairs, mentorship programmes to help them gain operational advice and financial assistance as well as network with like-minded people.
- Lastly, parallel to addressing the basic challenges by building the narrative that 'Women can also do it', there is also a need to encourage women entrepreneurship through increased awareness about the various schemes that the government has laid out. Access to such schemes and entitlements will be a key lever towards enabling further entrepreneurship.

A recent study done by United Nations Global Impact found that boosting women's participation in the economic labour force and taking it to the same level of participation as men can increase GDP by 27 per cent. Cashing in on this model has great potential for a nation like ours whose working-age population is expected to surpass 1 billion by 2030.

Prominent actions in this space can have long-term benefits on employment opportunities for the increasing rate of working-age population. It can be achieved through consistent efforts to break the cultural stereotypes that women are no longer tied to only household responsibilities. A clear communication strategy and robust on-ground efforts to promote women entrepreneurship are imperative. Else, women will remain constrained and not be able to contribute positively to the 2025 dream of the nation.

*Naghma Mulla is a guest contributor. Views expressed are personal.*

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