

For women entrepreneurs, it's a difficult dance between social pressures and economic empowerment: EdelGive's Vidya Shah

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By Divya J Shekhar | Apr 16, 2021

In an exclusive conversation with the executive chairperson of EdelGive Foundation ahead of the launch of a new landscape study on women entrepreneurship. The new report examines the current socio-cultural and economic realities of what it takes for women to own and run businesses in India, and how they have been disproportionately impacted by the pandemic



A new study on women entrepreneurship by the EdelGive Foundation finds that collectivising women through self-help groups help them take more control over their businesses and negotiate better with

family members. Representative image of an SHG that is part of Kerala's Kudumbashree network. Image: R Ravi [br]

It's not an original story—women fighting inherent biases and lack of confidence in their business skills, conventional gender roles, patriarchal mindsets, and lack of access to financial markets and networks.

There's also the plummeting female labour force participation (FLFP) rate. India has slipped 28 places in the 2021 Global Gender Gap Index by the World Economic Forum (WEF), ranking 140 out of 156 countries. The report estimates that the labour force participation of women has dropped from 24.8 the previous year to 22.3 percent. The earned income of women in India is one-fifth that of men's, putting the country in the bottom 10 countries globally on that indicator. The economic disparity between men and women has widened by 3 percent this year, meaning that India has managed to bridge only about one-third (32.6 percent) of the gap.

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Then there's a February 2021 paper by the Azim Premji University that assesses the implications of the Covid-19 pandemic: "Women were seven times more likely to lose work during the nationwide lockdown, and conditional on losing work, eleven times more likely to not return to work subsequently, compared to men," said the report, which is titled 'Down and Out? The Gendered Impact of the Covid-19 Pandemic on India's Labour Market'.

The fact that this it is not an original story, and given that the patterns keep reappearing [or worsening] year after year is perhaps why it becomes important to consistently reassess the deep-seated structural issues holding women back, in order to understand exactly how far we have come towards empowering women with enterprise or employment, and how much further we need to go.

A new landscape study on women entrepreneurship in India by the EdelGive Foundation, with Impact Partners in Social Development as research partners, has put together the social, financial, personal and familial factors that impact the entrepreneurial journey of a woman, and the impact created by the pandemic. The study involves a survey conducted among 1,235 women running enterprises in the manufacturing, retail and service delivery sectors across 13 states, in addition to interviewing their family members, clients and employees.

Their findings have been consistent with the tenor of other reports around women empowerment in society, business and workforce that we've been seeing so far: More than 60 percent of these women set up enterprises due to the poor financial condition of their families. One in five women are not even

sure of the future of their business, mainly because they do not have access to funds, or they cannot handle more work due to limited family support or challenges in finding a market for their products. Only 10 percent women have formally registered their business, only 9 percent have availed loans, only 22 percent have been able to access market credit and only 44 percent believe they can get credit if required.



Vidya Shah

In an exclusive interaction with *Forbes India* ahead of the launch of the study on Friday, Vidya Shah, executive chairperson of the EdelGive Foundation, discusses the specific findings and the way forward for women-led enterprises. Edited excerpts:

Q. Close to 57 percent of women enterprises surveyed have reported deterioration in business due to Covid-19. What will be the further implications of the pandemic?

There are two aspects to this: One is the female labour force participation rates and the second is women-run enterprises. Both employment and entrepreneurship has been impacted across the board [due to Covid-19], and it will be wrong to say that men-led enterprises have suffered any less. Having said that, the two major impacts of the pandemic have been that the relative decline in both employment and enterprise has been higher and more disproportionate for women as compared to men. The number of women coming back to work has been significantly impacted compared to men.

Now this second wave [of Covid-19] is probably going to create more barriers even for those women thinking of coming back to work. Overall, it's a bad situation right now, which is worrisome, because optimism [for women entrepreneurs] has gone out the door at the beginning of the second wave given what happened during the first wave.

One thing was very clear, which is also perhaps the motivation for this study: This is no longer just a cyclical issue. There are deep-rooted structural challenges that are holding women entrepreneurs back. Until we understand and acknowledge those, our rankings with respect to the gender gap, which is already falling at so many levels, will undergo a further fall.

Q. Women get to spend only a miniscule portion of their earnings on themselves [Rs231 per Rs1,000 earned], with most resources diverted toward other members of the family. How does this impact personal wealth creation?

The report shows that the incremental value creation has also not been very high for women. One, the level of investment to start an enterprise itself is very low for women across the board. The initial investment is a big matter of negotiation and compromise in the family. The low level of trust in a woman's ability to run a business is where it all starts. Two, the need to balance home and work: Women running enterprises are not seen as being above doing their domestic duties. A lot of decision-making is still held by the male members of the family. Third, even if cases where women have started doing reasonably well, having Rs1,500 or more surplus a month, the first port of call for expenditure becomes education and nutrition. Then there is very little else left, which is also in most cases reinvested in the business, rather than being spent on themselves.

This is a structural issue. Some of the recommendations are towards changing mindsets not just among community and family members, but also among the women themselves, who have a complete right to

think about themselves as well.

Q. About 45 percent women entrepreneurs say they cannot scale up because they cannot handle more work. This points to their additional invisible burden of unpaid domestic work. How do we tackle this?

The shift begins when there is a tipping point in the gross earnings of the enterprises led by women, when they [family members] begin to see that the business is viable and sustainable. Then there is a remarkable shift in the mindset and the roles within the family, and this happens in two-three ways.

In some cases, family members, particularly the husband, mother-in-law or siblings, come forward to take off the load on other responsibilities the woman is holding, like looking after the children, cooking etc. The second shift is where family members start getting involved in the woman's enterprise as labour, and the expansion unit then becomes how many family members can come on board. The third shift happens when a little bit of finance is available, and family members see a quick return on investment.

In Lucknow, in a fairly patriarchal community, we support a programme for girls' education in college and help them get jobs. Initially, we found that family members were upset saying that no one will marry girls who are highly educated. But when these girls started getting jobs and the monthly family income doubled or went up by 50 percent, things started changing. Mothers created spaces for daughters to go to work, age of marriage shifted etc.

So ultimately, it is money and change in economic circumstances that bring in these remarkable social shifts. We believe that it is a dance between social empowerment and economic empowerment. One cannot work without the other. It's a difficult dance and is not all rosy, which we also allude to in the report. In some cases, domestic violence goes up, because the woman has a lot more agency than they [the men] are comfortable with. Or it happens that the financial purse strings are still held by the man.

Q. Men do have more control, because while more than 80 percent women entrepreneurs say that running a business improves their standing among family and society, only 11 percent take independent decisions for their business. Isn't this a dichotomy?

Yes, which is why a lot of the recommendations in the report are about bringing women together either through formal mechanisms like federations, or creating educational upskilling opportunities. But what we've seen when it comes to social empowerment is that the biggest lever apart from economic empowerment has been collectivisation. The Kudumbashree self-help group (SHG) model in Kerala is a

good example of when you bring women together they learn from each other faster, because there are so many common shared experiences, like balancing negotiations within the family [of having more agency and pursuing ambitions]. These negotiations, we've found, are the trickiest part in women empowerment. You don't want to alienate them because he's still your husband or she's still your mother-in-law, but you want to still thrive in your business. How collectivisation and NGOs working in this space can facilitate these negotiations is very important.

Q. Does this social conditioning and pressure also reflect in the low networking and risk-taking appetite, whereby only 10 percent have formally registered their enterprises and only 13 percent are part of SHGs? How can we turn this around?

Collectivising women helps with knowledge-sharing across the board, be it tackling challenges on the enterprise side, with working capital, expanding business or markets, or taking decisions. Having conversations with other women also brings about a shift in the way they think about themselves, their families and their children. We have had women come and say that they've had to face exclusion and sarcasm for being different, for taking decisions on their own. We are battling centuries of mindsets so we need to give it more time.

Q. How does marital status impact the choice of enterprise? The report indicates that while younger unmarried women prefer service delivery, a majority of married, divorced or widowed women prefer retail businesses.

What I'm seeing is that when it comes to married women, the number of people involved in the decision-making process for the enterprise also goes up, making everything slightly more complex. Therefore, the push is also into 'safe' businesses. One of the big structural elements for women that has prevented either employment or enterprise going up is issues of safety, be it commute, or questions about where she is going, who she is meeting, what will people say etc.

This has created a degree of informality around women's enterprise and employment, which restricts scale almost by design, because scale in these cases would mean crossing social boundaries. So we see that there is a certain set of expectations, like going to an industry where there are more women, for example. Therefore, factory-oriented enterprises are much lower among women. It's mainly retail, food or fashion, because most of your customers will also be women. These are the boundaries that get set either by male members or by ourselves.

Q. Financial inclusion of women has been a priority for the government, but the report shows

only 9 percent women took loans and only 22 percent were able to access market credit for their business. How could we move the needle?

There has been some shift in access to bank accounts, partly because of the Jan Dhan Yojana, even in the midst of Covid-19. The banking correspondent programmes, and the linkages made available by NGOs and local self-help groups is heartening. We are hoping that mahila banks and other platforms for women will move the needle faster. Some of the structural issues will have to get sorted. For example, the report shows that women's awareness of state or national schemes is really poor. They will need help [through this process], because it will involve some amount of discomfort of dealing with people who can seem intimidating and are far more formalised for women running informal enterprises trying to get access to mainstream finance.

Q. Is empowering women-led enterprises a priority for the government? If yes, why are we not seeing policy initiatives translating into on-ground impact even after all these years?

There is an emphasis on looking into issues of MSMEs of all colour and hue. Unfortunately, the economy is almost 80 percent informal, which brings a lot of burden on growth, scale, people being able to get out of poverty etc. What I found is that the laws, schemes and mechanisms are there, but it comes down to execution and interpretation. We have to make the access to schemes easier [the report indicates that only 1 percent of women have availed of any government scheme, primarily because just about 11 percent are aware of any schemes; less than a third (29 percent) of those who applied, could actually avail the scheme].

We have announced schemes, created the framework, but the access to schemes is so difficult that nobody goes there. We also need to create more role models of women who have managed to leverage schemes and run successful businesses.

Q. Are there enough reasons to be hopeful about women getting more empowered through jobs or enterprise in the immediate future?

I think it'll take some investment of time, resources and thinking. The needle will move, but it will not move as fast as we all want it to move. The barriers exist and we cannot underestimate the impact of family members, of broader society, or certain mindsets that have an immeasurable impact on how women think and do things.

I have always been hopeful, because over the last 14 years of our work, we have seen that the impact of Corporate Social Responsibility (CSR) and philanthropy has been incremental but it's been there. In another four-five years, you'll see an even bigger shift. The word 'gender' did not even exist in 2008-09.

But it is becoming an important part of the economy with the knowledge that you cannot have such a low contribution to the GDP by women just because of the barriers we have raised. The general direction in which we are moving is positive.