

# The Catalysts of Economic Progress: Women Entrepreneurs

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## Abstract:

Women entrepreneurs are pivotal drivers of economic development, contributing to innovation, job creation, poverty reduction, and overall economic growth. Their diverse perspectives bring increased innovation, fostering the development of unique products and solutions that cater to a broad consumer base. Women-owned businesses not only create jobs for themselves but also contribute to community employment as they grow. Start-ups, crucial for job opportunities and industry leadership, require support, especially with the increasing number of women entering the labor sector. To address this economic gap, capable women entrepreneurs need appropriate backing as valuable resources for developing economies. Women are integral to entrepreneurship, continuously propelling advancement through their inventiveness, contributing to economic growth, innovation, and serving as role models. Overcoming challenges, they seek to leave a lasting impact, unswayed by societal biases. This paper explores available assistance forms and challenges faced by female entrepreneurs in India.

**Keywords:** Entrepreneurship, Women, Government Initiatives

## Introduction:

Recognizing entrepreneurship as a fundamental determinant of a nation's growth and advancement, the evolution of entrepreneurship is crucial in enhancing production and productivity across primary, secondary, and tertiary sectors. It facilitates the efficient utilization of material and human resources, addresses issues related to unemployment and underemployment, ensures the fair allocation of income and wealth contributes to the growth of Gross National Product (GDP), and enhances Per Capita Income (P.I). Particularly, entrepreneurship holds significant importance in the development of rural India, where over 76% of the population resides. Inclusion of rural areas in the network of industrialization is essential, and it is anticipated that rural residents will actively participate in the overall economic progress (Hazarika, 2016)

In India, men continue to dominate the entrepreneurial landscape, but there is a noticeable and steady rise in the percentage of women engaged in business. Women are increasingly aware of their roles, status, and rights in society. Currently, women entrepreneurship is a focal point, supported by the government, banks, and various agencies with the dual objectives of creating self-employment opportunities in general and empowering women in particular. The emergence of women entrepreneurship is viewed as a consequence of education, awareness, and emancipation, contributing significantly to employment, empowerment, and economic development. Women entrepreneurship can be defined as women attaining economic independence and generating employment opportunities for others through running their enterprises. Over

the past fifty years, societal perspectives have shifted from viewing women primarily as individuals responsible for childbearing and caregiving to recognizing them as main income earners or contributors to family financial support (Parker, 2009). Unfortunately, business initiatives led by women have often gone unnoticed, and their contributions have been undervalued. However, the absence of acknowledgment or attention does not diminish substantial contributions made by women entrepreneurs or their impact on improving the standard of living for women in society (De Bruin et al., 2006).

Within India's economy, the presence of women entrepreneurs is gaining significance, and it is crucial not to underestimate their contributions. These female entrepreneurs play a vital role in Indian economy, exerting a considerable impact by creating jobs, fostering development, and promoting prosperity. Recent statistics indicate that women constitute 14 percent of all entrepreneurs in India, totaling 8 million individuals. Additionally, women own 10 percent of all formal enterprises (C., & Edelman, L., 2019). A noteworthy aspect is that women-led businesses make up approximately 20.37 percent of the MSME industry in India, employing around 23.3 percent of the labor force. Women own and operate between 13.5 and 15.7 million businesses, providing employment to an estimated 22 to 27 million individuals. They are considered economic backbone of India. Expanding women's employment opportunities is not only possible but also offers the potential to alleviate the burden of working two shifts per week for women. It is imperative for all sectors of legislation to adopt the "three rupees" approach, involving the Recognition, Reduction, and Redistribution of uncompensated caregiving responsibilities shouldered by women (Meyer, N., 2018).

The integration of women into the labor force has not only generated employment but has also played a crucial role in helping numerous families break free from poverty. Women excel in modern sectors, constituting a substantial part of the workforce, due to their exceptional leadership skills and heightened productivity. Their strong professional diligence, commitment and commendable business acumen underscore importance of women in current workforce (Thongpapanl, N., 2016).

Women have transcended the confines of their homes, venturing into new realms of accomplishment through their brilliance and hard work. A significant number of women are diversifying their entrepreneurial pursuits across various business disciplines. The expanded career opportunities for women have been pivotal in their transformation into bureaucrats, professionals, and executives. Unfazed by the challenges of the highly competitive business world, women are embracing economic freedom. The substantial presence of women in non-traditional fields reflects the relatively recent phenomenon of female entrepreneurship, catalyzed by government programs and initiatives aimed at reinstating women's empowerment. Traditional feminine skills are being transformed into sources of income, with women establishing home-based businesses in textiles, cooking, embroidery, boutiques, crafts, and more (Solesvik, M., Iakovleva, T., & Trifilova, A., 2019).

The increasing presence of women entrepreneurs in India is significantly shaping the country's social and economic landscape. Women entrepreneurs play a crucial role in empowering 50% of India's startup ecosystem, driven by factors such as Acknowledgment, Outcomes, Unaddressed Requirements, and Education. A Bain & Company survey reveals that over 45% of women in rural India are motivated to establish businesses for recognition, and startups led by women yield a 35% higher return on investment compared to those led by men. An essential element motivating women is their intrinsic need to provide for their families, with 85% of purchase decisions being made by women, driving the desire for a better lifestyle. India stands among the top countries globally in producing female experts in science and technology, with up to 40% of women completing degrees in these fields. Women-led enterprises are

perceived as more efficient, demanding less investment while generating higher net revenue. Notably, women entrepreneurs are recognized for their exceptional multitasking abilities, willingness to take risks, and dynamic adaptability (Nwakanma, A. P., 2021).

### **Objectives of the study:**

1. Assessing the effectiveness of startups founded by women.
2. Exploring the hurdles confronted by female entrepreneurs at different stages of their business development.
3. Understanding the standing of women entrepreneurs in both Indian and global contexts.
4. Analyzing policies, programs, institutional networks, and engagement of support agencies in advancing women's entrepreneurship.

### **Review of literature:**

Poonam Sinlia (2003) conducted a study on motivation, social support, and constraints among women entrepreneurs in North East India. The research revealed that both male and female entrepreneurs were primarily motivated to start their enterprises for financial gain. The majority of the establishments were micro-enterprises, with traditional activities like handicrafts and handloom prevailing among women entrepreneurs. Inadequate income generation was a common challenge faced by both male and female entrepreneurs. Most women entrepreneurs relied on their own financial resources. The study concludes that women in the region possess significant potential to pursue entrepreneurship as a career, and concerted efforts, coupled with a supportive environment, can yield substantial results.

In Kanani's (2004) exploration of empowering rural women through entrepreneurship development, the emphasis was on the value of fostering empowerment by promoting agriculture-based entrepreneurship. The study underscored the significance of identifying agro-based industries that are both technically feasible and economically viable for the effective development of entrepreneurship. To support this initiative, promotional agencies at the national and state levels are encouraged to provide technological support measures in form of policies, financial assistance, infrastructure etc.

Vijayalakshmi and Prajeetha (2008) undertook an empirical investigation into fostering female empowerment via entrepreneurial endeavors in Madurai, Tamil Nadu. The study revealed that a majority of women initiated their enterprises post-marriage, typically falling within the age range of 30 to 40 years. The primary driving factors for starting their enterprises were self-interest, followed by the support of bank officials. Challenges such as a shortage of labor, financial constraints, and a lack of marketing skills were identified as major barriers for women entrepreneurs. Despite these obstacles, the study concludes that women business owners have prospered in creating ample revenue and boosting their self-confidence.

Panchanatham et al. (2011) conducted a study that illuminated the motivating factors driving women entrepreneurs to embark on entrepreneurial careers. Success was predominantly observed within the age group ranging from mid-thirties to early forties. Government schemes, incentives, and subsidies have played a pivotal role in stimulating and offering support measures to women entrepreneurs in the city and its vicinity. The research indicated that a significant number of women entrepreneurs had a family business background as their core foundation, often being married into business families. Familial business environment appeared to have mentally prepared them, smoothening their seamless entry into the business domain. Additionally, these women entrepreneurs received help and guidance from within the family when faced with any business challenges.

According to Aman Mittal (2017), Indian women entrepreneurs play a pivotal role in advancing country's economy. They contribute by mushrooming job opportunities, innovating across several fields, fostering growth across industries, and overcoming societal and cultural barriers. Particularly active in sectors like fashion, e-commerce, healthcare, education, and technology, women entrepreneurs introduce fresh ideas and techniques to conventional businesses while developing new services and products. Despite challenges like limited access to funding and constrained opportunities for skill development, their persistence and tenacity are instrumental in reshaping perceptions of women in business.

As per Swetha Kochar (2020), women with families, even in the present era, often exhibit reluctance to progress in their careers. Despite having been an entrepreneur for almost five years, proportional contributions by women to the company have not been observed. Certain industries, like business consulting, still see a predominance of men over women, and this imbalance is connected to a deficiency in self-confidence. Over the years, the association of business ideas predominantly with men has led to a reduction in the recognition of a woman's brilliance, often without affording her the opportunity to showcase it.

### **Woman as better Entrepreneurs than Men**

Cohoon (2010) conducted an through exploration of the backgrounds, motivations and experiences of both male and female entrepreneurs. That study, derived from data gathered from thriving women entrepreneurs, identifies the top five psychological and financial factors that drive women to embark on entrepreneurship, which include desire to accumulate wealth, aspiration to capitalize on their own business ideas, attraction of startup culture, and a longstanding wish to own personal enterprise. The challenges identified in the study are more closely associated with entrepreneurship itself rather than gender. Nevertheless, the research concludes by highlighting the need for further investigation, particularly regarding why women exhibit a heightened concern for protecting intellectual capital compared to their male counterparts.

Instead of generalizing about one gender's superiority in entrepreneurship over the other, it is more constructive to concentrate on establishing an environment where individuals have an equal opportunity to succeed based on their abilities, skills, and commitment, irrespective of gender. Embracing diversity in entrepreneurship can result in a broader spectrum of perspectives, ideas, and innovations, ultimately benefiting society as a whole (C., & Edelman, L., 2019).

Making a sweeping statement that women outperform men as entrepreneurs is a broad generalization that warrants caution. Entrepreneurial success is shaped by a multifaceted interplay of factors such as individual skills, experience, access to resources, market conditions, and personal attributes. Both men and women have the potential to thrive as entrepreneurs, and success is not exclusively tied to gender (A. K., & Saleem, I., 2020).

Acknowledging that women have historically encountered systemic barriers and biases in the business realm that may affect their entrepreneurial opportunities is crucial. Ongoing initiatives to tackle these challenges and ensure equitable access to opportunities and resources are essential for cultivating diversity and innovation in the entrepreneurial landscape, as noted by Nina Nair (2022).

### **Entrepreneurship Among Women: Perspectives and Associations**

Opportunities in entrepreneurship are influenced by individual perceptions of opportunities, startup skills, fear of failure, and the presence of entrepreneurial connections. GEM research delved into these

perceptions among entrepreneurs, examining variations by country, region, and national income level. Globally, women entrepreneurs reported a perceived possibility rate of 63%, with women in North America exceeding 85% and those in the MENA region surpassing 70%. In other locations, perceived opportunity levels were slightly lower but still above 55%. In general, women perceived opportunities slightly less than their male counterparts (63.0% vs. 66.3%). Thongpapanl, N. (2016).

**Entrepreneurial Skills** - The degree to which entrepreneurs perceive their capacity to seize opportunities is a crucial factor in determining startup success. This competency is a component of the human capital that an entrepreneur brings to a startup, which may be associated with educational background, industry expertise, or prior startup experience. The belief in possessing the requisite entrepreneurial skills to initiate a business is consistently high across all countries, with global averages of 79.8% for women and 84.2% for men. Saleem, I. (2020).

**Resilience in the Face of Setbacks** - Perceptions of failure can be shaped by various concerns, including economic, social or familial implications of a business not succeeding. The fear of failure may also be tied to the opportunity cost of pursuing entrepreneurship, particularly if alternative employment options are available. In less developed countries where entrepreneurship is often driven by necessity, the fear of failure might be lower, while in innovation-driven economies, it tends to be higher. The level of entrepreneurs' fearlessness in the face of failure is linked to their perceived startup capabilities. Globally, the average indicates that 67.9% of female entrepreneurs are not deterred by the fear of failure, compared to 72.3% of male entrepreneurs. Those in higher-income brackets, regardless of gender, reported the highest rates of resilience against the fear of failure, while lower-income countries reported the lowest rates (Banu, J., & Baral, R., 2022).

**Familiarity with a Business Owner** - Having acquaintance with an entrepreneur is often perceived as a motivator, providing a role model or peer support for entrepreneurial endeavors. Interconnections among entrepreneurs within a community are seen as having a positive influence. GEM examined the degree to which women starting a business have direct connections with an entrepreneur. Globally, the average for women is slightly lower at 62.8%, in comparison to 67.7% for males, and gender equality in this aspect exists in half of the nations surveyed (Jacob, T., Thomas, V. R., & George, G., 2023).

### **Obstacles Encountered by Female Entrepreneurs in India**

Female entrepreneurs in India encounter a variety of obstacles that may impede their capacity to initiate, expand, and maintain thriving businesses. Despite advancements in recent times, numerous challenges persist and can substantially affect women's involvement in the entrepreneurial landscape. A few of the primary challenges confronted by women entrepreneurs in India include:

**Social Norms and Gender Bias:** Entrenched cultural norms and gender biases frequently restrict women's access to opportunities and resources. Women might encounter skepticism, stereotyping, and discrimination, influencing their confidence and capacity to secure funding, partnerships, and customers.

**Family and Work-Life Equilibrium:** Conventional gender roles in India assign substantial responsibilities to women for household and caregiving tasks. Striking a balance between these duties and managing a business can pose challenges, potentially leading to a scarcity of time and energy for entrepreneurial endeavors.

**Education and Skill Development Accessibility:** Disparities in availability of high-quality education and skill development opportunities can constrain women's capacity to attain the essential knowledge and skills for effectively managing a business.



**Funding Accessibility:** Female entrepreneurs frequently encounter challenges in obtaining sufficient funding for their businesses. Both formal and informal investors often exhibit a bias toward funding ventures led by males, presenting a hurdle for women in securing capital and expanding their enterprises.

**Restricted Networking Opportunities:** Establishing connections is pivotal for business growth, yet women may encounter constraints in accessing professional networks, industry associations, and mentorship avenues. This limited access can impede their capacity to gain insights from seasoned entrepreneurs and identify potential collaborators.

**Infrastructure and Technological Disparity:** In numerous regions, insufficient infrastructure and restricted technology access can impede women's potential to utilize digital tools for the growth and expansion of their businesses.

**Risk Avoidance:** Societal expectations and personal aversions to risk may dissuade certain women from undertaking entrepreneurial ventures, as the repercussions of failure could be more pronounced due to societal stigmas.

**Legal and Regulatory Hurdles:** Existing legal and regulatory structures may not be supportive of women in entrepreneurship. Intricate and time-consuming procedures for business registration and compliance can introduce additional obstacles.

**Absence of Role Models:** Limited presence of accomplished women entrepreneurs can influence capacity of aspiring female entrepreneurs to envision their own success and potential. Role models play a pivotal role in inspiring and guiding individuals along their entrepreneurial path.

### Strategies to Enhance Women Entrepreneurship

Substantial changes in cultural attitudes and mindsets are essential to surmount the myriad obstacles encountered by women entrepreneurs and motivate aspiring women entrepreneurs. Unique identities and contributions of women being a driving force behind the nation's economic growth and development need to be actively promoted.

- Schools and colleges should incorporate entrepreneurial education, covering fundamental academic knowledge and its practical application. This approach aims to impart the essential skills necessary for individuals to thrive as entrepreneurs.
- Initiatives can be introduced wherein accomplished and successful female entrepreneurs offer guidance and insights to aspiring counterparts, sharing both advice and cautionary tales about the challenges of entrepreneurship. The aim is to boost the morale and confidence of those aspiring to be entrepreneurs.
- The government should play a role in facilitating the execution of policies and initiatives that enhance the opportunities for women in entrepreneurship. The establishment of robust infrastructure is essential for fostering favorable conditions for entrepreneurship.
- Financial support and valuable mentorship provided by female executives, philanthropic leaders, and industry figures can help propel the opportunities for female entrepreneurs aiming for high growth.
- Networking and collaborative events involving startup founders and major corporations are essential for all entrepreneurs, particularly for women and underserved minorities who may lack access to networks that can provide initial customer support. Non-profit initiatives in this domain should prioritize educating and connecting high-growth female businesses.

## Conclusion

In summary, women entrepreneurs undeniably serve as catalysts for economic development. Through the promotion of innovation, job creation, empowerment of individuals and communities, and contributions to global competitiveness, they assume a crucial role in constructing prosperous and inclusive societies. Policymakers, business leaders, and society in general should persist in supporting and promoting the expansion of women-led businesses to fully leverage their potential for positive economic influence.

In many developing economies, entrepreneurial ecosystems are still in their early stages, insufficiently equipped for female entrepreneurs compared to more mature ecosystems. Women at the helm of high-tech teams can benefit from further development and investment in the ecosystem, which should provide networks, assistance, advices, and inspirations. The current state of inadequate assistance may contribute to additional challenges, potentially leading entrepreneurs, especially women, to experience business setback or underachievement. To address this, there is requirement for more skilled women in leadership roles within the tech sector to establish robust and sustainable enterprises and address the growing talent gap. While customized acceleration programs and workshops addressing specific requirements, skill development are essential for female entrepreneurs, additional elements are necessary. To ensure the ecosystem's sustainability and growth trajectory, it must address demand for robust mentorship, impactful role models, and cultivation of more flexible and inclusive HR practices in our culture, while also increasing awareness about the merits of workforce diversity. This approach is particularly relevant in nations where women have traditionally held roles outside the public realm. All these factors will contribute to advancing the careers of women in technology and benefiting the industry as a whole.

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