



Female Entrepreneurs in India

This editorial is based on [“Obstacles Of Being A Female Entrepreneur In A Male-Dominated Business”](#) which was published in Livemint on 17/12/2021. It talks about the issues faced by female entrepreneurs in businesses stereotyped for men only.

For Prelims: Economic and Social Development-Sustainable Development, Inclusion, Demographics, Social Sector Initiatives, etc.

For Mains: Women Entrepreneurs in India, Challenges Faced by Female Entrepreneurs in India, Facilitating Women Entrepreneurship in India, Role of Women and Women’s Organization, Population and Associated Issues, Social Empowerment.

Women have been at the receiving end of several atrocities since the beginning of time. The fight for gender equality is not new and even though the movement has been gaining momentum in most corners of the world.

Undeniably, women have come a long way since when the movements began and have proven themselves in all fields, including those heavily dominated by men.

However, even today, women can rarely achieve victory without facing numerous challenges of gender-based and other related social biases.

In this context, the society, the government and the women themselves have a major role to play in enabling women to opt the leadership and entrepreneurial roles in the society.

Entrepreneurship and Women in India

- **Under-Represented Women Entrepreneurs:** Despite India’s rapid economic growth in recent decades, India still has very few women entrepreneurs, **well below several Sub-Saharan African countries** on some average measures.
 - In India, **only 20% of the enterprises are women-owned** (providing direct employment to 22 to 27 million people) and the [covid pandemic](#) has added fuel to the fire by impacting women disproportionately more.
- **Women’s Representation in Startups:** Women are **founders of only 6% of the Indian startups**.
 - Startups with at least one woman co-founder raised only **5% of the total funding** raised by startups between 2018-2020, and this further shrunk to only **1.43% of the total investor funding** in the startup ecosystem, when only women founders were considered.
- **Sector-Wise Representation:** In terms of ownership of equity, business stakes held by women are **highest in India’s manufacturing sector** (mainly related to paper and tobacco products)

even exceeding 50% .

- However, women-held shares of **2% or even less are seen in industries related to computers**, motor vehicles, fabricated metal products and machinery and equipment.
- **India's Initiatives:** The Government of India has taken various steps towards women's economic empowerment by way of initiatives like **Stree Shakti package, Udyogini scheme, Mahila Udyam Nidhi scheme, [Stand Up India Scheme](#), [Mahila e-haat](#), Mahila Bank, Mahila Coir Yojana** and **Women Entrepreneurship Platform (WEP)**.

Challenges Faced By Women Entrepreneurs

- **Stereotypes on Capabilities:** Women have historically been **viewed as the "weaker sex" - people in need of protection**, as opposed to men who have traditionally been characterized as protectors and defenders.
 - While it cannot be denied that men and women are physiologically different, and even if an average man is physically stronger than an average woman, it **does not justify assuming every woman is physically fragile**.
- **Using Biological Aspects to Assess Cerebral Capacities:** One long-standing perception has been that **men are wired to be more logical**, while **women are more likely to be empathetic**, which is touted as justification for women being seen as 'fit' for a certain set of professions limited by that understanding.
 - While this argument may seem smart to some on the surface, it makes little sense when it is **used to bar women from entering certain fields** based on average estimates drawn from psychological observations.
- **Patriarchal Construct and Familial Constraints:** Even though a lot of women have the potential as well as ambition to make it to the top in arenas that are usually dictated by a stark male presence, they are often **denied their dreams by the patriarchal construct of society**.
 - The underlying biases and concerns of **how their daughters would sustain themselves in an acutely male-inclined field** have been known to cloud the judgement of families.
 - This phenomenon, in turn, **spells a feminine drought** in many such domains, which only worsens gender imbalances.
- **Constraints Related to Funds:** It is not unheard of for women entrepreneurs to be **denied basic enablers such as easy access to funds** and sponsorships.
 - A lot of people have reservations about women's capabilities in the field of finance as **it is traditionally a male-dominated area**, given its 'logical' basis.
- **Lack of Female Mentors:** With fewer female business founders, the pool of women who can mentor and advise fellow entrepreneurs is consequently smaller.
 - One of the major barriers to women-owned-startups is the **lack of role models for women** which makes it **harder for enterprising women to learn from their peers** and tap the help of those who have 'been there, done that'.
 - It is also **harder for women to maximize the value of a business network**, because networking has traditionally been done in male- centric groups and organizations.

Way Forward

- **Providing Facilities that Encourage Women into Leadership:** Empowering half the country's potential workforce offers significant economic benefits beyond promoting gender equality.
 - The **key drivers of women entrepreneurship are investment in infrastructure and education**, which predict a higher proportion of businesses started by women in India.
 - Better education and health that **increase [female labour-force participation](#)**, reduced discrimination and **wage differentials that encourage more effort**, and **improved career-advancement practices that promote talented women into leadership** and managerial roles.
- **Promoting Women to Encourage Women:** Gender networks undoubtedly matter for entrepreneurship. Higher female ownership of local businesses in related industries predict greater relative female entry rates.
 - Here, **existing women entrepreneurs have an important role to play** as they can **reach out to other aspiring female entrepreneurs**, not far away but within their own districts, industries or fields of work and provide them guidance.
 - They might **also organise seminars or workshops specifically for women** aspiring to

be the owners of local businesses.

- **Encouraging Women Investors:** A majority of investor groups are composed of and are led by men, and investment committees are mostly male-dominated. **Only 2% of the angel investors are women.**
 - To overcome such unconscious biases, **at least one or more women investors can be included in the investment group.**
 - If there is a diversity of gender in the decision-making group, there is a likelihood that **women seekers of funds will get a fairer hearing** and possibly receive more favourable decisions.
- **Role of Government:** Most of the women entrepreneurs are of the opinion that because of lack of training, they are not able to survive in the market. The **government should conduct frequent training programmes** for new production techniques, sales techniques, etc. and make it compulsory for women entrepreneurs.
 - The government can also **provide interest-free loans to encourage women entrepreneurs, increase the subsidy for loans** and make **provisions of microcredit system & enterprise credit system** to the women entrepreneurs at the local level.

Conclusion

- Even after centuries of struggle marked by gains made in terms of empowerment, women continue to face undeniably taxing struggles in all fields of life and work and the **patriarchy is far from over.**
- For India to become a \$5 trillion economy, **entrepreneurship by women must play a bigger role in its economic development.** India's gender balance is among the lowest in the world and improving it is important not just for gender equality, but the entire economy.

Drishti Mains Question

Discuss the issues faced by the female entrepreneurs in male-dominated businesses.

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