



THINK LABOR

To keep up with everything skilling and employment

Women Entrepreneurship in India

Originally published by: Google | Bain & Company

Key Highlights

India's progress and development have failed to include an essential segment of its population, namely women. Despite advancements in social indicators, economic inclusion and growth for women have not kept pace. In fact, their participation in the labor force has plateaued and is predicted to decrease even further due to factors such as labor market patterns, technological disruptions, and restrictive societal barriers.

Over the next decade, India is poised to have the world's largest working-age population, surpassing one billion individuals. With this demographic dividend and a growing number of educated individuals, there is immense potential for India's economic and social progress. However, despite efforts by both the private and government sectors, job creation has not been sufficient to meet the demands of this burgeoning population. Women's entrepreneurship is a crucial factor in the overall solution, as it not only drives economic growth through job creation but also provides women with transformative social and personal benefits.

Currently, India boasts of 13.5-15.7 million enterprises owned by women, which accounts for 20% of all enterprises in the country. However, majority of these enterprises are single-person enterprises that only provide employment for 22 to 27 million people. Additionally, some enterprises classified as women-owned are not actually controlled or managed by women, as financial and administrative constraints often lead to women being mere "on paper" owners with little real involvement. India can benchmark against high-performing countries and states within the country to accelerate female entrepreneurship, both in terms of quantity and quality. Achieving such benchmarks could create over 30 million women-owned enterprises, 40% of which would be more than just self-employment, and result in potentially transformative employment opportunities for 150-170 million people. This represents more than 25% of the new jobs that will be required for the entire working-age population in India until 2030.

To achieve the ambitious yet realistic goal of creating over 30 million women-owned enterprises in India, it is crucial to understand the barriers that different types of women entrepreneurs face across the country. There are six distinct segments of entrepreneurs based on their scale, size, location (urban or rural), and involvement in agriculture. Gaining a deep understanding of these segments is essential to identify their motivations, advocacy, constraints, and most importantly, the solutions to accelerate entrepreneurship for women in India. For example, while access to finance is a challenge for most entrepreneurs, the disparity in the investor ecosystem disproportionately affects scalers, while the lack of information and tailored products hinder rural and urban

solopreneurs. Scalable businesses are also disadvantaged by exclusion from informal networks, whereas urban solopreneurs lack opportunities to join any network. Rural agripreneurs represent a unique segment that is here to stay and has the potential to be a critical catalyst for the modernization of agriculture and the rural ecosystem. All segments of entrepreneurs, as well as non-entrepreneurs, face severe cultural constraints, such as the denial of social permission to work and gender biases that persist widely.

There are four opportunity areas to unlock the potential of women and entrepreneurship in India:

1. Level the playing field for the high-impact, employment-creating entrepreneurs
2. Enable the willing middle—the ambitious solopreneurs and small business owners—to scale and become high-impact entrepreneurs
3. Expand the funnel to get more women to start enterprises
4. Build, strengthen and scale productive rural agripreneurs.

Read More:

https://www.bain.com/contentassets/dd3604b612d84aa48a0b120f0b589532/report_powering_the_economy_with_her_-_women_entrepreneurship_in-india.pdf

Author: Nishanth S, PILOT at Pratham.