



## Women's Entrepreneurship in India

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### Introduction

The report documents the status of female entrepreneurs in India and the socio-cultural and economic constraints faced by them. For women in developing countries, entrepreneurship can be an important tool to achieve equity and a better quality of life. The report also discusses various government initiatives undertaken to promote women's entrepreneurship in India. The main data sources are the surveys of the National Sample Survey Organisation and the Economic Census conducted by the Central Statistics Office. Data from various surveys are compared, thus, data pertains to the period 2005 to 2019.

### Key Highlights

- According to Periodic Labour Force Survey (PLFS) women's workforce participation rate (WPR) in India has declined to 25% in 2018–19 from 32% in 2011-12. PLFS also revealed that although between 2011-12 and 2018-19 WPR declined for both sexes, the decline was highest for rural women workers.
- From 2011–12 to 2018–19, proportion of women engaged in entrepreneurship increased by only 2% points. Moreover, majority of women proprietors (95%) operate in enterprises with less than six workers. Thus, enterprises run by most women are small and informal in nature.
- The proportion of women playing the role of an unpaid family helper was consistently more in all the years, but has decreased from 36% in 2011-12 to 31% in 2018-19.
- Around 131.29 million people were employed in unincorporated sector enterprises in 2013, but among them, 75% were men and only 25% were women.
- Women-owned proprietary enterprises increased from 3.54 million in 2005 to 8.05 million in 2013.
- From 2005 to 2013, women-owned proprietary enterprises without premises increased from 13% to 39% and women-owned establishments without hired workers increased from 77% to 83%, while establishments with at least one hired worker declined from 23% to 17%. Thus, this increase in women-owned establishments with no fixed workplace and hired help reveals the limited operational scope and growing informalisation of women-owned enterprises.
- Majority of women-run proprietary enterprises were in rural areas, but during the period from 2005 to 2013, women-owned enterprises increased in urban areas from 26% to 35%.
- Only 4.8% of the bigger enterprises were run by women.
- Between 2005 and 2013, although most women entrepreneurs were engaged in agriculture and related activities, a sectorial shift was noticed. Women-run enterprises in the manufacturing sector decreased from 34.9% to 29.8% and increased from 2.9% to 5.4% in other services sector.
- Enterprises owned by Muslim women entrepreneurs and women entrepreneurs belonging to Scheduled Castes and Scheduled Tribes were significantly lower. They faced the double discrimination of being women and belonging to a discriminate



- In 2015-16, 80% of women's proprietary enterprises operated from within household premises, and 3% of them operated without a fixed location. Women proprietors suffered from lack of access to basic infrastructural facilities such as internet facilities, availability of bank/post office accounts, use of computers within the enterprises etc.
- In 2013, 79% of women-owned establishments were self-financed. Thus, access to finance was one of the major challenge to women taking up entrepreneurship.
- Women entrepreneurs face various challenges such as obstacles to education, societal barriers to mobility, and the burden of household work, childcare and safety concerns, lack of personal physical and financial assets, difficulty in getting starting capital from formal institutions and lack of networking knowledge in the male dominated business world.
- Government has started various schemes such as the Stand-Up India scheme, Trade Related Entrepreneurship Assistance and Development scheme and the Rashtriya Mahila Kosh to support women entrepreneurs. The government set up the Micro Units Development and Refinance Agency Limited to support small enterprises and start-ups. The Women Entrepreneurship Platform by NITI Aayog has been created to accelerate female- led tech ventures. Startup India has also launched a nation-wide women's entrepreneurship programme to kick start entrepreneurial aspirations among female entrepreneurs.
- The positive impact of all these initiatives are yet to be witnessed because data still shows that women start businesses out of necessity and not out of aspirations.

**Read more :** <https://iwwage.org/wp-content/uploads/2021/03/ISST-and-IWWAGE-Position-Paper.pdf>

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