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Exploring the Role of Government in Unlocking the Potential of Women Entrepreneurship in India

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Abstract

Indian women entrepreneurs have increasingly provided a share to the economic development of India and employment opportunities' growth. Yet, women entrepreneurs in India today face various barriers due to limited finance accessibility, norms, and society-biased genders. Various initiatives have been stated by the Indian government that empower women entrepreneurs by providing the ambience with proper high-performance orientation. This paper analyses the initiatives undertaken by the government and how these have been working as catalysts to encourage women entrepreneurship in India. This paper reviews the effect of government policies regarding the provision and implementation of services and the main initiatives undertaken to help women entrepreneurs on the economy. The research methodology used here is descriptive in nature by reviewing secondary data, reports, research articles, publications of government, and analyses by industry in an effort to strike a balance while analysing the issue. The implementation of finance schemes, capacity-building programs, and entrepreneurial training provides a more favourable environment for women entrepreneurs. However, the problems

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still remained, and focused interventions in other areas would have been required to remove the remaining barriers. So that ultimately government policies can support women entrepreneurs in a better way, but there is much to be achieved so that maximum exploitation for long-run prosperity in the Indian economy will come into its effective working condition.

Keywords: *Economic Development, Government Initiatives, Finance Accessibility, Entrepreneurial Training.*

1. Introduction

Women entrepreneurship takes part in entrepreneurial activities, such as formulating and managing a business firm. Women entrepreneurship has played an outstanding role both in economic growth and social development. It involves innovation and job creation in boosting economic activities. Hence, it presents opportunities for sustainable growth with the removal of the associated hardships to stereotypical thinking in society, among others. Today, women entrepreneurship is gaining immense importance in India, where women are dominating many technologies, manufacturing concerns, and other services. However, the number of women entrepreneurs in India remains relatively small when the entire entrepreneurial scenario is compared to this total scenario.

The current scenario of women entrepreneurship in India is one of progress with struggle. Women entrepreneurs in India is relatively very low in comparison with the men. Though the number of businesses owned by women is on the increase, these women entrepreneurs also face many crucial barriers that restrain their growth and development. Some of the tight boundaries include lack of access to capital, dominant social norms and stereotypes, poor mentorship, weak networking, and inapposite skill development programs. This even makes the liv of women entrepreneurs more challenging to serve the needs of their families apart from serving the business requirements, making the problems appear more complicated.

The Indian government has taken a few forward steps in supporting women entrepreneurship in the country. All these will be further extended into Udyogini and the National Policy for Skill Development and Entrepreneurship that should provide training, mentorship, and capacity building to women. Mahila Coir Yojana, Stand-Up India Scheme, and Pradhan Mantri Mudra Yojana provide financial assistance to women entrepreneurs. From that viewpoint, apart from unlocking further economic opportunities for women, policy reforms and public awareness measures towards an even more facilitative environment for entrepreneurship from the Indian side, more importantly, have been undertaken by the government in the direction of promoting women's empowerment and gender equality in the entrepreneurial environment.

2. Literature Review

Desai & Chaudhari (2024) have discussed the constructive role of women entrepreneurs in sustainable development. This study identifies difficulties in their empowerment and development through training, counselling, and networking. Elimination of gender discrimination and entrepreneurship can lead to economic growth to empower women to take part equally through business and innovation.

Reen & Kour (2023) have pointed out that women's entrepreneurial prosperity in rural areas depends on consciousness and emotional empowerment in their study. Despite the technical skills, social and domestic pressures hinder their professional lives. Promoting women's entrepreneurship with a favourable cultural environment and favourable policies can translate into poverty elimination, economic development, and bringing untapped possibilities to fruition.

Priya & Lakshmi (2023) have focused on network building for women entrepreneurs based on the need for greater appreciation of business situations, affordable technology, and management capabilities. It suggested greater Single Window System development, providing collateral-free loans, ICT intervention promotion, and building strong infrastructure with the ability to sustain micro-businesses to foster socioeconomic empowerment.

Gupta & Shweta (2023) have analyzed the government's role in empowering women entrepreneurs in India with an emphasis on policy innovation and sustaining support. It discusses the weaknesses of women in business and invites future policies to develop an entrepreneurial inclusive environment for economic and social growth.

Shambunath (2021) has concentrated on rural women entrepreneurship in India and recognizes unawareness, illiteracy, and limited confidence in handling money and legal intricacies as challenges. Capacity building in finance, marketing, and management is emphasized in research. A facilitative environment is needed to enhance self-employment and economic growth.

Subbarayudu & Rao (2021) have elaborated women entrepreneurship as one of the most significant economic growth drivers, employment, and innovation. Women, though they contribute to the economy, are underrepresented in business. Equal participation, government incentives, and pro-women entrepreneur policy have been cited by research as the causes of maintaining economic development and competitiveness globally.

Misra & Ghai (2020) have concerned with the new contribution of female entrepreneurs towards economic development, particularly in developing nations like India, during economic liberalization and globalization. It identifies the efforts by governments towards supporting women's enterprise through education and training but notes that most have failed, necessitating further strategic enhancements.

Arya et. al. (2017) have explained the important contribution of women entrepreneurs towards economic development, with a particular focus on their growing involvement in business. Gender bias and poor policies remain obstacles nonetheless. Research indicates the need for improving entrepreneurial ability and government intervention to make women competitive and sustainable in the global economy.

3. Objectives

- ➢ To evaluate the status of participation of women in the workforce and women entrepreneurship in India today.
- ➢ To understand different kinds of barriers and opportunities that Indian women entrepreneurs are facing along their path towards business growth and success.

- To study the various government policies framed for promoting and developing women entrepreneurship.

4. Research Methodology

This paper is based on a descriptive research approach, focusing on the analysis and synthesis of secondary data from various sources. The research is based on a detailed review of existing research papers, government reports, industry publications, and credible websites to understand the landscape of women entrepreneurship in India. This paper aims to describe and evaluate the current status and challenges of these women entrepreneurs and their future prospects along with government initiatives supporting them.

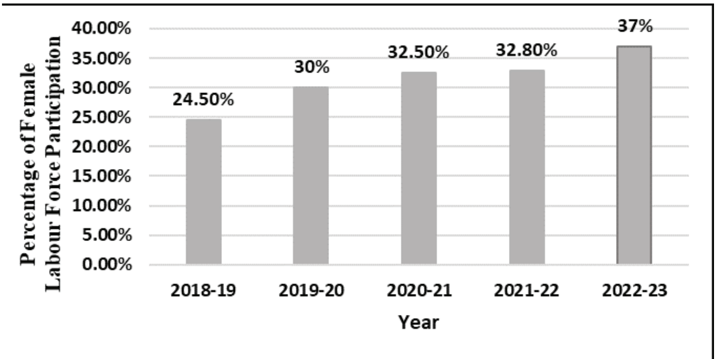
By reviewing the secondary data, it experiments with the key themes that would include barriers to accessing finance for women entrepreneurs, societal norms, and biases towards gender, among others, and a discussion about the government's various programs on these issues. This research method would encompass all the aspects in a holistic approach and throw light on how such initiatives have worked for the betterment of the growth and development of women entrepreneurship in India.

The descriptive nature of the research also allows for the overall trends and trends of government policies, the relative effectiveness of given programs, as well as any overall impact towards women entrepreneurs in general. Reviews of published literature are conducted according to the present methodology to ensure a basis on the established knowledge behind the findings themselves and provide perspective on the broader role of such government initiatives generally in fostering Indian women entrepreneurship.

5. Current Scenario of Escalating Female Workforce through Women Entrepreneurship in India

In recent years it has been seen that there is a significant growth in female labour force participation. In both urban and rural areas, females are taking initiatives to be involved in activities apart from the household work. As a result of that, the participation of women in the workforce is increasing year by year.

Figure 1: Female Labour Force Participation Rate

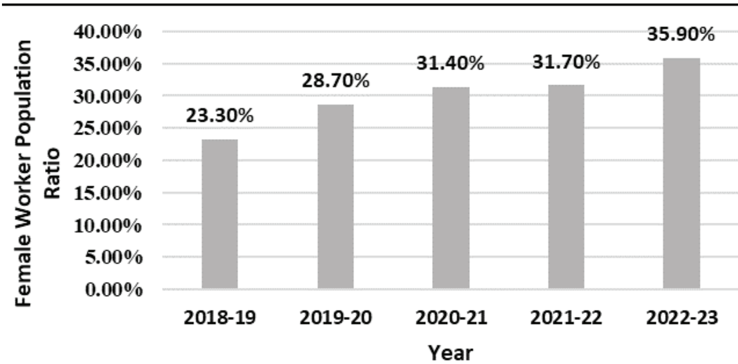


(Source: pib.gov.in)

From the graph shown above, in 2018-19 the female labour force participation rate was 24.50%, and it has made a significant growth over the few years, reaching 37% in the year 2022-2023. From 2021-22 to 2022-23, a huge jump of 4.2% indicates that women are more prone to getting into labour force.

In continuation with the female labour force participation, another thing that we need to have a look at is the female worker population ratio. From the last few years, it is also increasing day by day, which indicates the significant contribution of women to the economy of the country.

Figure 2: Female Worker Population Ratio



(Source: pib.gov.in)

From the above graph, a huge shift has been seen in the female worker population ratio from year 2018-19 to 2022-23, from 23.30% to 35.09%. So, an evident shift of 11.79% has been seen in the female worker population ratio. The contribution of women to growth and uplifting the economic condition of India is very crucial now.

India needs more participation of women in generating and sustaining the employment opportunity. An in-depth view of the current situation of women entrepreneurship and initiatives that are taken by the government to encourage and uplift the women to create something on their own. The landscape of women entrepreneurship in India has gradually developed with greater recognition of the role that women have played in furthering economic advancement. However, still a number of obstacles mar their way to entrepreneurship.

Government schemes such as "Stand-Up India," "Mudra Yojana," and "Start-Up India" offer women-owned businesses finances, mentorship, and training. This aspect of more numbers of women-owned businesses is witnessing a boost after a very short period of time. Further, it brings women to retail, IT, manufacturing, and services industries and promotes scalability in areas related to businesses, like tech start-ups and e-commerce that achieved market globally through low investments.

All these notwithstanding, there is still a lot to be achieved. Among the challenges that women face are less access to capital, inadequate networks, and socioeconomic prejudices. Due to patriarchal norms and family obligations, entrepreneurs are cut off from entrepreneurial opportunities. Women only constitute about 14% of the entrepreneurs in the country, which is significantly lower as compared to their male counterparts. Other significant funding agencies, such as venture capitals, are dominated by men, making it even worse for women's bottlenecks in that kind of financial sector. The Covid-19 pandemic has been a worse disaster, especially to women-led businesses in retail and hospitality industries. However, women proved to be resilient as they adapted their businesses towards digital platforms and e-commerce, and pivoted into new business models. The scenario of women entrepreneurship in India is improving gradually, but there are challenges, including limited funding and societal biases.

Therefore, financial inclusion, mentorship, and policy support for gender equality are required to make women entrepreneurs a significant contributor to the growth of India's economy.

5.1. Several Obstacles That Indian Women Entrepreneurs are Facing Nowadays

- **Restricted Financial Capital:** Most Indian women entrepreneurs are not bankable because they have no significant assets that could be used to secure bank loans. In addition, lending institutions will consider them not very creditworthy since family responsibilities increase the risks of business failure. This again limits their sources of capital necessary for the development of their businesses.
- **Poor Literacy Rates:** The factors most influential for the socio-economic problems in India are the low rates of female literacy. Even today, there is enough educational inequality, and the majority of the women remain unprepared to deal with technical and managerial challenges. Even though the government has started a few new steps in this regard - Beti Bachao Beti Padhao, Mahila Shakti Kendra, Mahila E-Haat, etc.There are still a lot of women who lack the required number of resources. These have been made worse by the fact that this pandemic is very online, preventing women from fully pursuing education and skill building.
- **Reduced Aid to the Family:** The pressure to balance work and family life on women entrepreneurs is much more stringent from society. Work-life balance is a neutral goal for everyone, but usually, women are expected to be working both at home and in the office. Moreover, these burdens with odd hours and traveling requirements make it even tougher for a woman.
- **Ignorance of marketing:** A deficiency in marketing skills and knowledge constrains women entrepreneurs from expanding their businesses and productivity. In most cases, it confines them to only identifying the markets for their products; thus, they let the marketing sector be at the mercy of the male entrepreneurs. Subsequently, women end up relying on middlemen, who charge high commissions, thereby making profitability low.

5.2. Various Initiatives Taken by Government to Uplift Women Entrepreneurship

The government has offered various schemes related to the empowerment of women entrepreneurs in different sectors. All these schemes offered financial aid, training, capacity building, etc., for the beginning and expansion of business among women. Easy access to credits, mentoring of women, and an opportunity for improving their skills through different programs should be there. Access and networking access in funding is posing very big challenges. Therefore, these programs will indirectly support the increased participation of more women in entrepreneurial ventures and eventually help boost the country's economic growth.

Stand Up India Scheme	Offers loans between Rs. 10 lakhs and Rs. 1 crore for fresh green projects with bank finance. Every branch of the bank should be having at least one loan meant for SC/ST customers and one for women. It focuses on green and sustainable, environmentally friendly projects and inclusion entrepreneurship.
Pradhan Mantri Mudra Yojana	It gives loans to small enterprises involving beauty parlours, retail shops, and coaching centers. Loans up to INR 10 lakhs and loan repayment tenure in minimum 3 years and maximum 5 years. No collateral is needed.
Women Entrepreneurship Platform	It is launched by NITI Aayog. Its approach is to back women in capital, tools, networking, and mentorship required for any woman to start, run, and scale their business.
Mahila Vikas Nidhi Scheme	To the women in distress, besides offering financial assistance, small-scale enterprise or livelihood-generating activities shall be provided. It must engage women in skill building and sustainable livelihood opportunities for the poorest.

Credit Guarantee Scheme for Micro and Small Enterprises	Maximum credit facility of INR 5 lakhs at an interest rate of 1% for units in the northeastern region, women, and microenterprises. Above INR 5 Lakhs and not exceeding INR 50 Lakhs credit facility to women, microenterprises, and northeastern units at the rate of 1.35%. Credit facility of over INR 50 lakhs up to INR 200 lakhs at the rate of interest of 1.80% to women, microunits and northeast region units.
Mahila Coir Yojana	Helps to empower the rural women artisans within the coir-producing regions. 75% cost of motorised Ratt/motorised traditional Ratt as one-time subsidy provided by the coir board, subject to a maximum of up to Rs. 7,500 for motorized Ratt and up to Rs. 3,200 for traditional and electronic Ratt. The goal of the coir industry is productivity, employment, and higher incomes.
Other Remarkable Schemes	Mahila E-Haat: This is an e-platform for women entrepreneurs. They will showcase their products on the website, which would enable selling to customers. The website presents a virtual market, in which all segments will be incorporated by adding women there for their development and growing on that virtual ground. Bharatiya Mahila Bank is a bank especially for all financial services and products designed or tailored to the needs of women entrepreneurs. Therefore, it offers loans, credits, and other banking services that empower women to start and expand their ventures; hence, making access to finance for women easier. Stree Shakti Package It is a scheme that provides financing and entrepreneurial help to women entrepreneurs. It gives loans at subsidized rates and develops them with skills so that they can successfully run the business on sustainable long terms. Annapurna Scheme The scheme specifically targets women interested in the food catering business. Such women are given loans to either start or expand the food catering business so that they can benefit from the high demand for food services.

6. Conclusion

All of these schemes have enabled women entrepreneurs in the Indian government and have contributed to economic growth, business development, and social change. Other initiatives, such as Mudra Yojana and Stand-Up India, have also allocated funds and relieved the access of credit so that women entrepreneurs may start or grow their businesses, thereby contributing toward their economic independence and competitiveness in the market. These have not only created direct employment but also stimulated local economic growth by creating jobs at the supply chains. On top of this, training has improved business management and technical skills, though high-level management and more advanced technology are increasingly needed.

Despite such successes, it has been said that challenges are still present: limited financial literacy, lending bias, and cultural biases. The main networks are still a challenge for women entrepreneurs because business circles are dominated by men. Though the government policies have challenged stereotyping and improved society's tolerance, it remains within the boundaries of rural and conservative settings, thus creating problems. Bureaucratic delays, unawareness, and inconsistent policy implementations all create issues in the achievement of the set targets. All of these initiatives must be scaled up, adapted, and implemented better across different regions and sectors to have broader and sustainable change in the long term.

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