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RESEARCH ARTICLE

EMERGING WOMEN ENTREPRENEURS IN CONTEMPORARY INDIA: A REASON FOR HOPE

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Abstract

Indian startup scenario is gradually increasing its gender ratio as more Indian women foray into the business scene. Indian business women already in the field are proving resolute in facing the competition and challenges that comes with management, scaling up and running of small and large enterprises. The steady increase in the number of women-led startups can be mainly attributed to the enabling policies and initiatives brought out by the Indian Government as well as the enterprising spirit of the Indian women. Even as the share of Indian women with innovative startup plans and business ideas increase year on year, most of them find it hard to find the required funding, technical support and mentoring needed to start a business and successfully survive the competition. The inherent gender bias and the conservative social mindset are also proving to be major obstacles for the enterprising Indian women. Proactive action by the Indian business community is the need of the hour, so that India can reap the full socio-economic benefits of a well-diversified startup ecosystem.

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Introduction:-

From being denied the right to property to starting and owning a billion dollar business entity, the women of India have come a long way. The traditional conservatism of the Indian society found it hard to contemplate the necessity for women to work, let alone be entrepreneurial. The participation of Indian women in the workforce itself came about due to economic necessity of households. The socialistic perspective of the post-independent socio-political system emphasised on equal participation of women. Even with more than half a decade of enabling policies and governmental support, raising gender awareness and social initiatives, India's female labor force participation remains one of the lowest in the world.

India ranks 108th in the World Economic Forum's Gender Gap Index, the ranking dragged down mainly by the lower participation of women in the workforce. (World Economic Forum, The Global Gender Gap Report 2017, online at <https://www.weforum.org/reports/the-global-gender-gap-report-2017>) The National Sample Survey conducted by the Indian Government shows that the women participation rate stagnating between 26- 28 percent in Urban India. For Rural India, the rate has come down to around 38 percent. (Ministry of Statistics and Programme Implementation, Government of India, "Women and Men in India 2017", online at <http://www.mospi.gov.in/publication/women-and-men-india-2017>) While the need to analyze the reasons and take remedial measures is important, it is made more crucial by the direct correlation between female participation in workforce and the number of women starting up businesses on their own.

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Government and Institutional Support

The Indian Government is well-aware of the crucial role Indian women can play in the economic development of the country. That's why, the Indian socio-political system has always tried to aid and empower women with legislation, proactive action and a socio-economic policy that enables women to have equal participation in the economy. Even way back in 1991, the Indian Government initiated policy measures to promote, strengthen and supplement small, tiny and village enterprises with an inherent focus on women empowerment.

The MUDRA Yojana scheme is one such financing policy to support micro and small businesses in non-farm, non-corporate sector with special emphasis on female entrepreneurs. (Government of India, "Study on Impact of Pradhan Mantri Mudra Yojna", online at <http://www.mudra.org.in>) The initiative includes training programmes, capital funding for resources and raw materials for setting up small manufacturing units and firms. This scheme aims to boost the number of women led micro enterprises, especially from rural areas.

Sector targeting bank credit initiatives like Cent Kalyani Scheme for cottage industries, MSME, agriculture and related activities, Bharatiya Mahila Bank Business loan with the maximum limit of \$200 Million for manufacturing enterprises setup women can go long way in increasing women participation in specific sectors where they need support.

Make in India Initiative launched in September, 2014 and the Startup India Initiative announced in January, 2016 gives equal importance to female entrepreneurs and women business leaders, especially in the field of technology and innovation. Startup India takes a holistic view of the entrepreneurial setup to motivate young girls to break the stereotypical mindset with awareness programmes.

There is also the Stand Up India, launched in April 2016 with startup centers and technology incubators distributed across the country to mentor, finance and empower under privileged women from the lower strata of the society to enter into entrepreneurial activities.

Support to Training and Employment Programme (STEP) has been around for decades as a policy measure to train rural women above 16 years of age and impart skills in several sectors such as agriculture, horticulture, food processing, handlooms, travel and tourism, and IT services. This initiative by the Ministry for Women and Child Development of the Indian Government aims to provide necessary support to women from poor and marginalized sections of the society. Trade Related Entrepreneurship Assistance and Development (TREAD) is another Indian Government policy that enables access to credit and resources for under privileged women through NGOs.

There are also state-level policy interventions that handhold, mentor, train, finance women into entering and managing social enterprises and business firms.

At the global level, financial institutions like World Bank and International Monetary Fund have rolled out targeted initiatives for women startups and businesses. Women Entrepreneurs Finance Initiative (We-Fi) is World Bank's large-scale, multi-stakeholder partnership to address issues faced by women entrepreneurs. Its report says that only 30 percent of SME's around the world are owned by women and 70 percent of them cannot get the finance they need. (Reena Flores, "Why the World Bank is Investing in Women", 1 August 2018, Politico, online at <https://www.politico.com/story/2018/08/01/women-investing-enterprise-initiative-world-bank-752983>) It aims to harness public and private sectors for women's economic empowerment by providing technical knowledge, high-value market access, training, network support. We-Fi strives to bring in changes to the policy environment that are enabling towards women-run businesses.

The Self-Empowering Entrepreneurial Journey of Indian Women:

More women from the developing regions of the world are starting business as an opportunity for economic and social freedom. And this is not the result of proactive state policies alone. In the case of India, opening up of the Indian economy to global business and the gradual integration with world economy, coupled with injection of technology and business knowledge and the demand to adapt or be left behind has infused the Indian startup scenario with a lot of female entrepreneurs and business leaders.

In the Global Entrepreneurship Summit, 2017 held in Hyderabad, more than 50 percent of participants present were women. Indian business world has numerous highly-prominent trailblazers and uber-successful entrepreneurs who

have shown the path and inspired millions of women to enter and skillfully navigate the business landscape. (“Over 52 percent of participants at Global Entrepreneurship Summit will be Women”, Times Now, 19 November 2017, online at <https://www.timesnownews.com>)

The reasons for a woman to start a business are same as that of a man –income, personal satisfaction and independence. So, this opportunity has opened up avenues for the entrepreneurial spirit of millions of Indian women to be expressed and be noticed. They have learnt to equip themselves with business knowledge, the right skillset, to be resourceful and fight and succeed the cut-throat competition.

The host of enabling factors has brought in a slew of successful business women into the field. Their stories are a combination of determination, intelligence, daring enterprising spirit and perseverance. These stories can be used to better understand the obstacles, challenges, learning process and the ground scenario for Indian women trying to enter the business scene. They also offer valuable insight for shaping any kind of proactive action towards funding, guiding and encouraging more women-led startups.

KyaZoonga is India’s first entertainment and sports ticketing company. It was started by a woman -Neetu Bhatia. This national level cricketer turned businesswoman sites her own experience as a catalyst for her entry into the business field. Whenever her relatives and friends visited India, they found it difficult to find information about entertainment events and book tickets. This led her to do more research on the subject and realize the market potential in that field. Now, her KyaZoonga has revolutionized the entertainment and sports ticket booking industry with audience forecasting and innovative sponsorship models.

Falguni Nayyar, the CEO of Nykaa is another businesswoman whose entrepreneurial spirit has to find its way out. She has worked in investment banking for nearly two decades before deciding to start the beauty and wellness online store. Her constant interaction with entrepreneurs in her business capacity has kindled her business spirit too. So, she left her corporate job to launch Nykaa, a multi-brand beauty and wellness online retail store in 2012. For her, the challenges varied from phase to phase. Her focus is always on building the brand trust, offering premium experience and good management. With a planned Initial Public Offering (IPO) in 2020, Nykaa has garnered investor support and confidence with its consistent market capitalization. The growth stories of Falguni Nayyar and KyaZoonga clearly highlights the enterprising potential of Indian women who only need the right set of training and exposure to succeed.

But, this is not always the case. An Indian woman getting easy access to resources, knowledge and credit needed to realize her business ambitions is an exception and not the rule. Despite being the 3rd largest startup base in the world, only 13 percent of Indian businesses have female co-founders.

India scores very low in the Women Business Ownership Index that evaluates the opportunities and hurdles faced by women while engaging in entrepreneurial activities. India ranked 52nd among the 57 countries evaluated. (“Mastercard Index of Women Entrepreneurs 2018 Report”, online at <https://newsroom.mastercard.com>)While women made up one-third of the global entrepreneurs, only 14 percent of entrepreneurs in India are women, as per the Sixth Economic Census. (Ministry of Statistics and Programme Implementation, Government of India, “All India Report of Sixth Economic Census”, online at <http://www.mospi.gov.in>)

At the global level, total entrepreneurial activity increased by 10 percent and the gender gap reduced by 5 percent, according to a Gender Entrepreneurship Monitor report.(Global Entrepreneurship Monitor, “GEM 2016/2017 Women Entrepreneurship Report “, online at <https://www.gemconsortium.org>) Consequentially, there was 8 percent increase in women ownership of business. What is worrying is that these figures are not reflected in the Indian scenario. Unequal distribution of property ownership has been sighted as the key obstacle for women to acquire business capital.

The major hurdles faced by women in starting up a business are lack of education and training, technical knowledge, finance and funding, governmental regulations and inherent gender bias.

Gender Biased Startup Investor Landscape:

According to a YourStory research, in 2017, only 2 percent of the total equity funding raised went to women-led startups. That is a dismal \$243 Million of the total \$12 Billion raised. At the global level, the percentage was only

slightly better at 3 percent . Fundraising remains the major problem for Indian women trying to enter the business scenario.

Even though women led companies created more jobs and performed better than men by creating more value for their investors, the access to venture capital for women is glaringly low. The aggressive capital building required for scaling up their business is also lacking due to the subconscious bias of investors against women-led startups and businesses. This is further re imposed by the fact that more angel investors are men and it is considerably male dominated.

Women mostly get evaluated by the funding platforms with their gender as the main aspect. The type of questions and expectations put forth for male and female startups seeking funds always vary. Women entrepreneurs are judged for their humility when they make realistic statements and growth plans and are not trusted if they quote aggressive capital plans.

The inspiring story of Radhika Agarwal, co-founder of Shopclues highlights the credit accessibility problem faced by women entrepreneurs. She is the first and only Indian businesswoman to join the prestigious Unicorn club. Unicorns are privately held startups valued above \$1 Billion. ShopClues is now one of the top three online marketplaces in India. It has become a household name in tier 1 and tier 2 cities. She believes in learning from her experiences both good and bad and that small incremental steps can help you achieve big things. She attributes her success to the ability to take risks and keep going in the face of stumbling blocks. This highly successful businesswoman initially has to bootstrap her company with her own investment and operating revenues of ShopClues itself. She had to demonstrate her business acumen and market profit before any capital funding came her way. Even profitable business ideas like hers struggle to find takers at the beginning. That's why most women startups are mostly self-funded or from painstakingly borrowed money. Only after the initial success, organized funding starts coming in.

The inability to find investors becomes even more difficult if the women startups are geared towards social change and initiatives. The social entrepreneur and co-founder of Menstrupedia, Aditi Gupta stands testimony to this challenge. Her Mestrupedia website is devoted to educate and create awareness among the society about menstruation and breaking the taboo about the subject. Her research and personal experience made her realize the lack of awareness and among the public on the issue. This gave her the idea to cofound Menstrupedia in 2012 with Tuhin Paul. Menstrupedia is an illustrative guide to stay healthy and active during menstruation. Using comics as a medium, this startup strives to create awareness among girls, parents and the public about menstruation and hygiene. Currently, the comics are available across 7 languages in India and have also found marketplace in South America and Philippines. Despite its evident success and social contribution, the startup remains a crowd funded initiative mostly financed by volunteers and supporters.

A major reason for the gender bias in credit access can be attributed to the dearth of women investors. The ratio of male to female angel investors is 10:1. There is a humungous gender gap that has to be brought down. More women angel investors are needed who can mentor, nurture women-led startups and venture capitalists who can channel finance into women led startups. Their presence in the field can create gender diversity and sensitivity. But, cultural and social barriers prevent women investors from venturing in. They also require entrepreneurial experience and multi-tasking skills to provide a holistic support to women-led startups. Realizing this need, Indian Government has partnered with UN India Business Forum to bring together a group of women angel investors with business acumen and industrial experience to identify and nurture women Indian startup investment field. ("Consortium for Women Entrepreneurs Formed", 7 June 2018, Economic Times, online at <https://economictimes.indiatimes.com>)

The Funding Problem:

The major motivational factors for women in developed countries to start a business are empowerment, freedom and quality of life it entails. In most of the under developed regions of the world, economic hardships and necessity acts as a push factor for women to take up work and business even with limited skills and knowledge. But in developing regions like India, it is a combination of both set of factors that is creating more women-led startups and enterprises in the economy.

There are various factors that prevent access to funds and finance for women-led business. Women, especially married women and women with siblings do not have easy access to property or assets which they can use as

collateral for finance. Male family members are reluctant to invest in the startups as they don't believe that women could survive and succeed in business. ("Women-Led Startups Could Grow India's Economy by 60 percent, but Obstacles Remain for Female Founders", 14 December 2017, Forbes, online at <https://www.forbes.com>)

Banking and financial institutions also give low priority to extending credit to under-privileged and middle-class women for business purposes. This also impacts their ability to obtain business insurance.

Work-Life Balance Dilemma:

More small and mid-level women startups continue to remain small because of the demands at home. Women business owners prefer smaller firms which can be managed along with their traditional roles. Women led small and medium enterprises have grown mainly because of government support and initiatives.

A McKinsey Global Institute study in 2015 estimated that if female participation in the labor force is equal to that of women, India's projected GDP in 2022 can be increased anywhere between 16 to 60%. The equitable presence of women in the workforce can add \$2.9 Trillion to the Indian economy. (McKinsey Global Institute, "The Power of Parity: Advancing Women's Equality in India" ,November 2015, online at <https://www.mckinsey.com>)

But, a NASSCOM survey shows that in the IT sector, while 51 percent of entry level jobs go to women, 50 percent of them leave at junior and mid-level positions. This is a major reason for lack of women in senior management roles in the IT industry.

Women are still expected to juggle work and home responsibilities. Women themselves still consider work or business secondary to familial responsibilities – raising children, taking care of the elderly at home and the household, even in cases where men and women contribute equally to the household finance.

Technical Knowledge and Training Inadequacy:

The technological disruption that has evened the odds for women is the leverage social media platforms offer. With immense opportunities for networking, building their brands, reaching markets and target customers, finding sponsors and mentors, understanding their competitors and the market environments, improving their business visibility and staying connected to their consumers, online social platforms have played a huge role in the startup scenario in general and for women entrepreneurs in particular.

What needs to be done is impart skill, training and the technical knowledge for women entering small and micro enterprises, so that they can harness the online platform to sustain and grow their businesses.

But, only 60 percent of women in India are literate and majority of them lacks the required technical knowledge and skillset to start and manage business startups. Immense training and skilling is needed across all sectors to increase women participation. There is direction correlation between a business owner's skillset and her business growth.

Lacks of access to information, raw materials and resources are other key challenges to be addressed. Women have limited mobility and the operational challenges they face are more than what an average male entrepreneur faces. This constraints their ability to acquire resources, logistics and support to run their firms.

Men and women entering business field have the same level educational qualification and experience, but where they begin to differ is in occupational and industrial experience. What they need are role models, mentors and other successful women entrepreneurs they can talk to and gain first-hand knowledge about running, expanding and handling business and marketing operations.

According to the Gender Entrepreneur Monitor (GEM) report, female discontinuance rate in business is considerably higher than that of men. Tied into that is the growth expectations predicted by women for their own firms. They generally don't expect to grow anymore or have relatively low growth projections.

But, one aspect where they score high is in their innovativeness. Women startups tend to innovate 5 percent more in their entrepreneurial journey and productivity than their male counterparts. This could be a direct result of majority of women entering business with a lot of enthusiasm, vision to change and make a mark for themselves.

Women entrepreneurs also tend to concentrate on health, education and social services sectors. This could be due to the easy operability of startups in these fields. Congenial environment for women to enter various business areas including the heavy industries and manufacturing business, import/export sector, etc... has to be created.

Socio-Psychological Aspect of The Gender Gap:

In addition to economic and technical considerations, there are social and psychological factors, some enabling and some disabling, with regard to women succeeding in the business landscape.

Women need the family support while contemplating the plunge into business, which is not so in the case of majority of male entrepreneurs. When parents, spouse and relatives are not supportive and do not profess confidence in their endeavor, women tend to feel guilty for going against their family. This also brings down their self-esteem with respect to their ability to succeed.

Richa Kar, the founder of Zivame, a multi-brand lingerie e-store had to initially struggle with a family unsupportive of her dream. Before deciding to startup an online business selling women innerwear, Rich Kar had a well-paying corporate job. Her old job helped her gain insight and market knowledge that inspired her to start something on her own. When she put out her startup idea to her parents, she was met with discouragement and lack of support. Her father did not understand why she had to take up a risky endeavor that might mostly fail. Her mother was also embarrassed about the idea of her daughter selling intimate clothing online. But, Richa Kar preserved. She borrowed money from some of her supportive friends and invested her own savings into the business, which has now grown into a successful online fashion store with more than a million visitors per day. Richa Kar and her Zivame have made the social stigma surrounding women innerwear a thing of the past.

Kanika Tekriwal, the founder of India's premium air travel service, JetSetGo has a similar story. But, hers is that of being laughed at by friends and looked down by peers. While working in aerospace related field, she recognized the under-utilized marketplace for chartered planes in India. When she casually put forth her idea to her colleagues, her male friends were dismissive and did not take her seriously. This only made her more determined. Before she could put her plans into action, she was diagnosed with cancer. After successful treatment and recovery, she started JetSetGo in 2014. Even after being recognized as a successful business person, she still gets advices on settling down instead of struggling in a business that was clearly meant for men.

These women have to consistently navigate through the entrenched gender bias to enter and stay in the business field.

With her own term for the gender neutral version of "Heroes", Sairee Chahal has introduced a mini-revolution in workspaces and offices regarding gender sensitivity and diversity. Sheroes was launched in 2014 as a community helpline for women. With high responsiveness and a zeal to build a forum for women to discuss and open up about health, professional issues, personal relationships and achievements, Sheroes has become a champion for gender equality and fight against sexism in workspaces. The community platform offers opportunities, resources, and supportive interactions for women. The startup also provides reporting and grievance helpline for companies and firms to bring in transparency and accountability in bridging gender gaps.

With an obvious social agenda to bring in changes in attitude and culture of workplaces, Sairee Chahal has faced stiff resistance while reaching out to companies to make them more gender-sensitive. Without giving up, she has now taken forward her ideas to build an online portal for women to find quality work, build successful careers and have diverse and safe workspaces.

Women entrepreneurs are generally considered averse to risk taking and as soft-players, who cannot survive the stiff competition from the male-dominated business arena. So, women are expected to be doubly vocal and highly ambitious to gain credibility and trust.

Also, most venture capitalists and angel investors believe that women entrepreneurs cannot capitalize on business opportunities. This is only a consequence of the deep entrenched social-mindset that views women as incapable of practical business decisions.

The view is now changing with the business world gradually realizing that women business executives always take a nuanced long-term view of different aspects of concern before making informed decisions. Women also tend to be highly achievement oriented and driven towards proving themselves. This could be the consequence of having been looked down by the patriarchal society and facing derision and discouragement along the way.

Even though women work hard, they also tend to take it personally when there are setbacks, failures or when a deal doesn't come through. Women also have the tendency to personally get involved in every task concerning their business. This makes them take up too many responsibilities, when they could have delegated the work and managed from the top efficiently. Women business owners have to train themselves to build better teams, delegate roles and become balanced administrators, instead of getting bogged down by micro-management.

The business and work environment has to recognize the flexible working needs of women, so that the benefits of their equitable participation in the economy can be reaped by all.

Time for a Reciprocated Transformation of the Business Landscape:

Assimilation of new values and being receptive of untested ideas has been the inherent guiding principles for unprecedented evolution of the globally integrated political-economic system. It is only by absorbing enabling economic solutions, adapting conducive political practices and gathering up benefiting social and cultural approaches, the global economy has sustained its growth and momentum.

Even as the advent of international business created disruptive changes in social, political and cultural systems across the world, the consequent integration is continuously influencing and reshaping the business landscape across all its constituents.

Diverse groups and entities, differentiated based on gender, race, religion, geographical and social similarities are increasingly becoming part of the business scenario by learned adaption and understanding. The economic system has to reciprocate with internal changes to prevent any conflicts and to ensure a consistent forward momentum.

Women have learnt to be assertive, ambitious and persuasive to compete in the male-dominated startup scenario. Even as women are inculcating and equipping themselves with changed traits and nuanced mindset as an adaption strategy, is it reciprocated by the business environment? Increased participation of women in business can, of course, bring in gender diversity, but is enough done to enable an accommodating environment that can automatically be receptive of more women entrepreneurs and business women.

Infusing more women into the startup investment sector is just one aspect of it. Women tend to bring wider people-centric and socially enabling approaches into their businesses. But, these characteristics are finger-pointed for sidetracking women-led startups, instead of being assimilated by the male-dominated business community to broaden their enterprising philosophy and perspective.

So, what is asked for is not just access to financing, government initiatives and training centers. But, the socio-economic system itself has to change its business outlook, patriarchal mindset and gender-biased environment to create an ecosystem that is inherently favorable for women entrepreneurs. Letting women redefine the business landscape is a next natural stage in its evolutionary development.