

Empowering Women Entrepreneurs in India: A Historical and Policy Perspective

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The landscape of women entrepreneurship in India has undergone a significant transformation over the centuries. Initially driven by the need to empower rural women, women's entrepreneurship has evolved from managing small-scale enterprises in the 18th century to leading innovative startups in the 21st century. This evolution reflects not only the changing role of women in Indian society but also the increasing recognition of their contributions to the nation's economy. Despite facing numerous challenges, Indian women have emerged as formidable entrepreneurs, significantly contributing to various sectors, including agriculture, technology, and small-scale industries.

The Historical Context of Women Entrepreneurship in India

Women entrepreneurship in India has deep roots in history, beginning with small businesses like retail, handloom, and farm-based enterprises managed by women in the 18th century. These early ventures were

often informal and unrecognized, but they laid the foundation for future generations of women entrepreneurs. The adoption of the Indian Constitution in 1950 created a favorable environment for women entrepreneurs by legally eliminating the inferior status



of women, thus encouraging their participation in economic activities.

By 1981, the number of self-employed women in India had reached 1.5 lakhs, constituting 5.2% of the total self-employed population. The Industrial Policy of 1991 further boosted women entrepreneurship by providing specific provisions that encouraged more women to venture into business. As a result, the number of women entrepreneurs surged to 2.95 lakhs by 1995-96.

The Sixth Economic Census conducted by the Government of India in 2015 revealed that the country had 8.0 million women-owned enterprises, accounting for approximately 13.76% of the total enterprises. These enterprises provided employment to 10.24% of

the total workforce engaged in various economic activities. More recent surveys indicate that 35.5% of startups in India have women as directors, with 58% of women entrepreneurs starting their businesses between the ages of 20 and 30.

Barriers and Constraints in Women Entrepreneurship

Despite the progress, women entrepreneurs in India face several challenges. At the household level, women are often seen primarily as homemakers, expected to perform multiple roles within the family. This traditional mindset limits their decision-making power and access to household resources, thereby hindering their entrepreneurial aspirations.

In the realm of agribusiness, women entrepreneurs face limited access to formal financial institutions, quality training, markets, and essential business information. A survey by EdelGive Foundation in 2021 highlighted the lack of easy access to capital as a significant barrier, particularly for women in semi-urban and rural areas. Moreover, most women entrepreneurs in India are “Own Account Workers,” operating businesses that rely heavily on local markets and domestic consumption. These businesses typically have limited scalability and growth prospects, restricting their revenue potential and opportunities for expansion.

Policy Framework for Women Entrepreneurship

Recognizing the need to promote gender equality in entrepreneurship, the Government of India has implemented several policies and schemes aimed at supporting women entrepreneurs, particularly in agriculture.

Five-Year Plans

The first three Five-Year Plans (1951-1966) focused on women’s welfare through community-based extension services, providing special assistance to Mahila Mandals and NGOs. During the Sixth and Seventh Five-Year Plans (1980-1990), policy support was extended to enable women to gain employment for economic upliftment. From the Ninth Five-Year Plan onwards, the National Policy for the Empowerment of Women was adopted, with the aim of developing and empowering women through economic and social opportunities.

National Policies and Schemes

Various ministries, including Women and Child Welfare, Agriculture & Farmers Welfare, Commerce and Industry, and Rural Development, have implemented women-centric entrepreneurship policies. Key initiatives include:

- 1. Startup India Programme:** Launched in January 2016, this program nurtures innovation and startups, with 44% of registered startups having at least one woman director. The program has significantly contributed to the growth of women entrepreneurs in sectors such as agriculture, food, and beverages.
- 2. Prime Minister’s Employment Generation Programme (PMEGP):** This scheme, implemented by the Khadi and Village Industries Commission, promotes MSMEs by providing subsidies to women and other special categories for setting up new enterprises.
- 3. Udyam Sakhi:** An initiative of the Ministry of Micro, Small & Medium Enterprises, Udyam Sakhi supports women entrepreneurs in creating business models around low-cost products and services to address social inequities.

- 4. Stand Up India Scheme:** Launched in April 2016, this program facilitates credit to women entrepreneurs, providing loans ranging from Rs 1 lakh to Rs 1 crore.
- 5. Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE):** This scheme offers collateral-free credit to micro and small enterprises operated by women, with an 80% guarantee cover for credit facilities up to Rs 50 lakh.
- 6. Mahila E-Haat:** An online marketing platform launched in 2016 to support women entrepreneurs, SHGs, and NGOs by providing direct contact between vendors and buyers.
- 7. Mudra Yojana Scheme for Women:** This scheme provides loans to women entrepreneurs for starting small businesses, with no collateral required for loans up to Rs 10 lakhs.

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Conclusion

The evolution of women entrepreneurship in India reflects a journey of empowerment and economic participation. While women have made significant strides in entrepreneurship, their efforts are still largely confined to the unorganized, informal sector with limited investment and returns. However, the emergence of rural-based women enterprises, such as Self Help Groups, Farmer Producer Organizations, agripreneurs, and small businesses, presents new opportunities for nurturing women entrepreneurship in India. By focusing on business model development, incubation, and sustainable market linkages, these initiatives can help women entrepreneurs overcome barriers and achieve long-term success.