

National Seminar on Effect of Ecopreneurship on Environment Protection & Sustainable Development

Role of Women Entrepreneurs in Economic Development

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Abstract

Introduction: Of the 7.95 billion people living on the Earth in 2022, four billion were men and 3.95 billion were women. In a male dominated community and competitive global business world, a woman entrepreneur has to have guts to glory and prove her passion through determination to face the challenges through constant hard work, commitment, clear cut vision and creative nature. Women entrepreneurs are becoming mentally strong in decisive roles in whittling the fiscal backdrop of a nation, and their involvement in business, novelty and job creation has significantly impacted both native and universal economies.

Methodology: As the paper adopts a descriptive research method, the information was gathered purely from secondary sources. The review of literature draws on a survey by Bain & Co., data from the Ministry of Statistics and Programme Implementation, and reports from the Ministry of Labour & Employment and the Press Information Bureau, together with published statistics on the Micro, Small and Medium Enterprises sector, the National Multidimensional Poverty Index: A Progress Review 2023, and the Annual Periodic Labour Force Survey. The study is organised around three objectives of women entrepreneurship: to be a role model to inspire the upcoming generations, to contribute talent and skills to economic development, and to make supervisors and leaders.

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Results & Discussion: According to a survey from Bain & Co., 15.7 million female entrepreneurs run establishments, representing 22 percent of the overall entrepreneurial landscape in India. The Ministry of Statistics and Programme Implementation records 8,050,819 establishments owned by women entrepreneurs, of which 5,243,044 or 65.12% were located in rural areas and 2,807,775 or 34.88% in urban areas. The five leading states by share of women-owned establishments are Tamil Nadu (13.51%), Kerala (11.35%), Andhra Pradesh (10.56%), West Bengal (10.33%) and Maharashtra (8.25%). Women constitute 14% of total entrepreneurs, amounting to 8 million, and about 20.37% of the MSME sector comprises women-led businesses employing approximately 23.3% of the labour force. The Worker Population Ratio increased from 46.8% in 2017-18 to 58.2% in 2023-24, while 14.96% of the population remains multidimensionally poor and MSMEs contribute 30% of GDP, with 63 million units providing jobs to 110 million people. Ten challenges are identified, from access to funding and gender bias to safety concerns and weak policy support.

Conclusion: Women entrepreneurs' role is increasing day by day. They are reducing the unemployment problem, generating income by establishing several industries which contribute to the country's GDP, and directly or indirectly taking on social responsibility. Their participation in entrepreneurship leads to a more inclusive and diverse economy, breaking gender barriers and promoting financial independence. Despite challenges such as limited access to capital, gender biases and work-life balance struggles, women continue to rise as strong business leaders, and with better funding opportunities, mentorship programmes and policy reforms they can further accelerate economic progress. Encouraging women in entrepreneurship is not just about gender equality; it is a strategic move for sustainable economic development.

Keywords: Women Entrepreneurs; Economic Development; India; MSMEs; Employment Generation; GDP Growth; Poverty Reduction; Access to Funding; Gender Bias; Women Empowerment.

1. Introduction

Women entrepreneurs are becoming mentally strong in decisive roles in whittling the fiscal backdrop of a nation. Their involvement to business, novelty, and job creation has significantly impacted both native and universal economies. Global societies are moving

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towards gender equality, the partaking of women in entrepreneurship has immensely enlarged, encouraging economic growth, communal progress, and pecuniary freedom. Women-led businesses are not only boosting employment but also driving innovation and sustainable development.

2. Contribution to Economic Development

2.1 Creating Employment Opportunity

As per the data available in latest Annual Periodic Labour Force Survey (PLFS) Reports, the estimated Worker Population Ratio (WPR) indicating employment during the last 7 years including the COVID period has increased from 46.8% in 2017-18 to 58.2% in 2023-24. Irrespective of the gender, unemployed men and women get opportunity to work under women entrepreneurs which will be a solution for unemployment problem and better livelihood which leads to economic establishment. Businesses that generate employment reduce unemployment rates and improve livelihoods. By employing both men and women, they contribute to financial stable position.

2.2 Novelty and Assortment

Women are entering into new emerging fields to show novel skills in to supply the tastes of the customers accordingly to the present situation. Example in the field of food (breakfast), Dosa is prepared in many varieties like masala, onion, Neer, Rava, 70MM, MTR and etc., in pickle field, present generation is asking for Non veg pickles like chicken, mutton, fish, prawn, crab etc. In tailoring field, for stitching one blouse they are charging more than Rs. 5000/- for party ware which is more than a saree price. Even then, the rich people are not bothering but want variety in stitching. All industries are facing stiff competition among themselves and automatically there is growth in the market.

2.3 Decline in Poverty

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According to the National Multidimensional Poverty Index: A Progress Review 2023, in India 14.96% of population are multidimensionally poor. The overall standard of living of the below poverty line will be increased by a successful women contributing towards successful enterprise. Household incomes will be increased which uplifts the growth of Indian economy.

2.4 GDP Growth

Most of the countries are encouraging ladies in all fields. India is among them, Government is coming forward for the rise of women entrepreneurs which leads to higher productivity and economic expansion. Many countries have seen an increase in GDP due to women's active participation in business. In India, 30% of GDP is contributed through MSMEs providing 63 million provide jobs to 110 million people, producing goods and services, and increasing tax revenues. Studies have shown that economies with higher female entrepreneurial participation experience faster growth and sustainability.

2.5 Community Development

Community development through women entrepreneurship is a powerful way to drive economic growth, social transformation, and sustainable development. When women are empowered as entrepreneurs, they not only improve their own financial stability but also contribute to the well-being of their families and communities. There is lot of development seen through the establishment of various self-employed shops like medical stores, sweet shops, kirana stores, hotels, fast food centres etc.

3. Objectives of Women Entrepreneurship

- To be a Role model to inspire the upcoming generations
- Talent & skills should be contributed in economic development
- To make Supervisors & Leaders

4. Research Methodology

As the paper is a descriptive research method the information was gathered purely from secondary sources.

5. Review of Literature

Female Entrepreneurship is not just a trend; it's a powerful movement reshaping economies and communities around the world. In the financial growth of a developing country like India, Women entrepreneurs are playing a key role in not only generating jobs for themselves but for others also. They have been renowned as an important source of economic growth. The story of successful women drives and attracts many other women into the field of entrepreneurship. According to a survey from Bain & Co., 15.7 million female entrepreneurs run the establishments, i.e., 22 percent of the overall entrepreneurial landscape in India. According to Ministry of Statistics and Programme Implementation, the total number of establishments owned by women entrepreneurs was 8,050,819 out of which 5,243,044 constituting about 65.12% of the total establishments were located in rural areas and the remaining 2,807,775 (34.88%) were located in urban areas. This figure opens the doors for upcoming younger generation and talented female entrepreneurs which becomes the double with the further reassurance and support. The details of five top states in terms of percentage share in total number of women owned establishments in the country are: i) Tamil Nadu (13.51%), ii) Kerala (11.35%), iii) Andhra Pradesh (10.56%), iv) West Bengal (10.33%) and v) Maharashtra (8.25%).

As Prime Minister of India, Shri Narendra Modi said, "It has to be women-led development for India rather than just women-centric." Both in rural and urban areas, women entrepreneurs should be increased. Across the globe numerous organisations relating to government and non-government are coming up with novel schemes and

plans in bringing out the talented female entrepreneurs. Their contribution for the community and kinfolk leads to women empowerment and poverty decline. Worldwide recognize the importance of supporting women entrepreneurs and have implemented various initiatives in India: Programs like the Pradhan Mantri Mudra Yojana (PMMY), Stand-Up India, and the Women Entrepreneurship Platform provide financial support, training, and mentorship to aspiring women entrepreneurs. These initiatives aim to enhance the participation of women in the MSME sector, thereby contributing to economic growth. Women own small and medium enterprises, and represent about one third of all SMEs. Women entrepreneurs play a pivotal role in driving economic development globally. Their contributions span job creation, innovation, and fostering inclusive growth, thereby strengthening the socio-economic fabric of societies.

5.1 Economic Contributions of Women Entrepreneurs

Women-led businesses significantly impact economies by creating employment opportunities and contributing to GDP growth. In India, for instance, women constitute 14% of the total entrepreneurs, amounting to 8 million. Notably, about 20.37% of the Micro, Small, and Medium Enterprises (MSME) sector comprises women-led businesses, employing approximately 23.3% of the labor force. This substantial involvement underscores their role in bolstering economic growth.

Moreover, women entrepreneurs often reinvest their earnings into their communities, enhancing education, healthcare, and overall well-being. This reinvestment fosters a cycle of prosperity, contributing to sustainable economic development.

6. Qualities of Women Entrepreneurs

- Adventurous: Be brave and ready to accept every challenge in whatever situation prevails
- Cognizant

- Drudgery
- Educated
- Fortitude
- Ambitious (Go-getting)
- Inspiration
- Intelligent
- Positive Attitude in taking every decision and facing the risk

7. Need of Women Entrepreneurship

- Be Independent Nature
- Bright Future
- Better Education and Awareness
- Self-Recognition
- Increase Confidence and positivity
- Create Employment opportunities
- Snowballing risk taking ability
- Support of family members
- Developing equal status in society

8. Factors Affecting Women Entrepreneurs

- Financial Independence
- Creating their own identity
- Achievement of excellence
- Developing risk taking ability
- Freedom and mobility
- Motivation
- Equality in society

- Establishing their creativity

9. Challenges Faced by Women Entrepreneurs

Women entrepreneurs face several challenges when starting and growing their businesses. Some of the key challenges include:

1. Access to Funding and Capital

- Women-owned businesses often struggle to secure funding from banks and investors due to gender biases.
- Lack of collateral and lower credit history can make it harder to get loans.
- Venture capitalists tend to invest more in male-led businesses.

2. Gender Bias and Stereotypes

- Women entrepreneurs may not be taken as seriously as their male counterparts.
- Some industries are male-dominated, making it difficult for women to establish credibility.

3. Work-Life Balance

- Women often juggle multiple responsibilities, including family and business.
- Lack of proper support systems can make entrepreneurship challenging.

4. Limited Networking Opportunities

- Business success often depends on networking, but women may have fewer opportunities to connect with influential business circles.
- Male-dominated business environments can make networking intimidating.

5. Legal and Cultural Barriers

- In some regions, cultural norms discourage women from starting businesses.
- Property ownership laws in some countries make it difficult for women to secure assets for loans.

6. Lack of Mentorship and Support

- Women entrepreneurs may not have access to strong mentorship programs or role models.

- A lack of female leadership in business sectors can limit motivation and guidance.

7. Difficulty in Scaling Businesses

- Women often start businesses in small-scale industries with lower growth potential.
- Limited access to technology, markets, and digital tools can hinder expansion.

8. Safety and Harassment Issues

- Women entrepreneurs sometimes face harassment, especially in male-dominated industries.
- Safety concerns while traveling for business or meeting clients can be an issue.

9. Unequal Pay and Valuation of Work

- Women-owned businesses may receive lower valuations or pricing in the market.
- The perception that women's businesses are "less serious" affects their profitability.

10. Lack of Government and Policy Support

- While some governments have schemes for women entrepreneurs, awareness and accessibility remain low.
- Policies may not always be favorable or well-implemented to support women-led businesses.

10. Possible Solutions

- **More funding opportunities:** Grants, loans, and investment programs for women.
- **Mentorship programs:** Connecting women entrepreneurs with experienced mentors.
- **Better policies and legal reforms:** Equal property rights, business-friendly laws.
- **Encouraging networking:** Women entrepreneur groups, online communities and industry events.
- **Work-life balance support:** Flexible work arrangements, child care facilities.

11. Conclusion

Women entrepreneurs role is increasing day by day. They are throwing a challenge that they can participate and execute the work in perfect manner. They are reducing unemployment problem, lot of income is generated by establishing several industries which contribute to countries GDP and directly or indirectly social responsibility is bestowed on them. With their success many problems will be solved with one shot. Their participation in entrepreneurship leads to a more inclusive and diverse economy, breaking gender barriers and promoting financial independence.

Despite challenges such as limited access to capital, gender biases, and work-life balance struggles, women continue to rise as strong business leaders. With the right support, including better funding opportunities, mentorship programs, and policy reforms, they can further accelerate economic progress.

Encouraging women in entrepreneurship is not just about gender equality — it is a strategic move for sustainable economic development. When women succeed as entrepreneurs, they uplift communities, create job opportunities, and drive innovation, ultimately contributing to a more prosperous and balanced economy.

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