

Women Entrepreneurs Accelerating the Development of Indian Economy

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ABSTRACT

In the country, the increasing presence of women as entrepreneurs has contributed significantly to economic and business growth. As a result of their contribution to society, women-owned businesses are creating employment opportunities, bringing about demographic changes and inspiring the next generation of women entrepreneurs. There is a wide perception that women have a unique set of qualities that make them better entrepreneurs than men, despite the entrepreneurship gap between men and women. Women in business are more profitable, create more jobs, and are more effective than men. This paper acknowledges and appreciates the contribution of women entrepreneurs in shaping up Indian Economy.

Introduction

The development of economic progress, better access to education, urbanization, spread of liberal and democratic culture, and recognition by society have led to an explosion in female entrepreneurship around the world.¹

In India, special incentives and drives have been created to encourage the growth of women entrepreneurs, and programs such as Startup India and Standup also promote their entrepreneurial drive. Women entrepreneurs have gradually and steadily become successful entrepreneurs around the world, earning many accolades for themselves along the way. For instance, Oprah Winfrey, an American entrepreneur, television host and media executive, was awarded the Presidential Medal of Freedom in 2013 for her outstanding contributions to entertainment and social change.²

For her remarkable contribution to the health and medicine industry, Indian woman entrepreneur Kiran Muzumdar Shaw, Chairman and Managing Director of Biocon Limited, has received numerous coveted corporate awards as well as civilian awards including Padma Shri (1989) and Padma Bhushan (2005). There are many other famous Indian women entrepreneurs, including Vandana Luthra, Ekta Kapoor, Naina Lal Kidwai, etc.

There is a great demand for women entrepreneurs today, particularly in India. A number of factors influence women to start their own businesses:

- **Economic Necessity:** It is relatively new for women to enter the business world. As a result of

the breakup of the joint family system and the need to maintain living standards in the face of inflation or rising prices, women are now entering the most competitive business world. In modern times of inflation, women have begun to enter the business field in order to earn some income and increase the income of their families.³

- **The desire for high achievement:** Having a strong desire to achieve high success in life is another reason why women enter the business world. Today, even though women are educated, they are unable to find jobs in the market place or may not be able to leave their homes to work somewhere else because of family issues. The greatest motivation for a woman to become an entrepreneur comes from her desire to prove herself as an asset and not a liability to her family.
- **Independency:** Having self-confidence and self-respect is another powerful motivating force for women to become entrepreneurs. Owning and controlling a successful business provides a woman entrepreneur with a prestigious status, a positive reputation, and a sense of independence in society.⁴
- **Encouragement from the government:** Through self-employment and business ventures, the Government and non-governmental organizations are increasingly supporting women's economic

¹ "Aradhya, D. (2020, October 24). Women entrepreneurship. Your Article Library. <https://www.yourarticlelibrary.com/women/women-entrepreneurship/women-entrepreneurship/99813>"

² "Aradhya, D. (2020, October 24). Women entrepreneurship. Your Article Library. <https://www.yourarticlelibrary.com/women/women-entrepreneurship/women-entrepreneurship/99813>"

³ "Why women make the best entrepreneurs. (n.d.). Atina. Retrieved from <http://www.atina.org.rs/en/why-women-make-best-entrepreneurs>"

⁴ "Why women make the best entrepreneurs. (n.d.). Atina. Retrieved from <http://www.atina.org.rs/en/why-women-make-best-entrepreneurs>"

conditions. As a result of such policies and programs, the government has introduced various incentive schemes to encourage women entrepreneurs in the country. These incentive schemes have encouraged women to mentor other women in business.

- **The education system:** Various forms of technical, vocational, industrial, commercial and specialized education have been taken by women to qualify them for self-employment in some kind of trade, occupation, vocation or business. In addition, facilities are being provided for women to grow and blossom as individuals. Modern women have proved that they can be as efficient, hardworking, intelligent, or even better than men in a number of fields.⁵
- **Role Model:** Similarly, our women in India would like to play a key role model to contribute to the economic development of their country. They have already entered other fields such as politics, education, social field, administration, and so on. Now they have started entering the business field in order to demonstrate their importance in the same way they have done in other fields.
- **Occupation of the family:** A woman's occupation in the family business, along with her husband and other family members, is a significant motivator for participating in the business. In order to reduce the expenses of the family business and increase its income, it is important for women to undertake economic activity or family business and support their families in family occupation or business.⁶
- **The generation of employment:** Women are also motivated to become entrepreneurs by the creation of employment opportunities as another influencing factor. In general, women entrepreneurs engage in small-scale, village-based industries or handicrafts that require labour. Consequently, they provide some relief from the widespread problem of women's unemployment.
- **Social Status and Self-Identity:** Social status and recognition are important to women. By interacting with high level officials, ministers, authorities, and others in high positions, women

entering business can achieve such a position of self-identity and recognition of social status.

- **Growing Awareness:** The spread of education, coupled with a greater awareness among women, has created more female entrepreneurs. This goes beyond the kitchen-level activities, such as pickles, powdered masala and papad, or traditional cottage industries like toy and basket making. Women are also entering engineering and other higher technical industries such as TV capacitors, electronic ancillaries, and small foundries.⁷

WOMEN ENTREPRENEURS AND INDIAN ECONOMY

The rising number of women entrepreneurs in India has had a significant impact on the social and economic demographics of the country, helping millions of families escape poverty and creating jobs. As a result of their high-precision work and higher productivity levels, women dominate new-age industries such as electronic manufacturing, where more than 50% of employees are women. Women's attitude towards work and commendable business skills have also highlighted the importance of women in the modern workplace.⁸

There are 13.5 to 15.7 million businesses owned by women that employ 22-27 million people in India's MSME sector. Women are considered as the backbone of the Indian economy. It is estimated that the national economy could add USD 770 billion by 2025, which is 18% more to global GDP. Over the next five years, women-led businesses are expected to grow 90% thanks to an increase in startups and an adoption of inclusive work cultures.⁹

Despite the fact that women are expected to manage household responsibilities, things have developed to the point where there are currently 15.7 million women-led businesses in a country where this benchmark is limited. The MSME sector could see an exponential growth in women as a result of this. Women account for 23.3% of the Indian labour force, which means that 20.37% are MSME owners. As a result of increasing women's participation in the labour force, India can potentially add US\$ 700 billion to global GDP, according to McKinsey Global.¹⁰

⁷ "Women entrepreneurs share their climb to success. (2022, November 21). UNCTAD. <https://unctad.org/news/women-entrepreneurs-share-their-climb-success>"

⁸ "Women entrepreneurs shaping the future of India. (n.d.). India Brand Equity Foundation. Retrieved, from <https://www.ibef.org/blogs/women-entrepreneurs-shaping-the-future-of-india>"

⁹ "Women entrepreneurs shaping the future of India. (n.d.). India Brand Equity Foundation. Retrieved, from <https://www.ibef.org/blogs/women-entrepreneurs-shaping-the-future-of-india>"

¹⁰ "Rdias.Ac.In. Retrieved from <https://tdias.ac.in/contribution-of-women-entrepreneurs-to-the-indian-economy/>"

⁵ "Why women make the best entrepreneurs. (n.d.). Atina. Retrieved from <http://www.atina.org.rs/en/why-women-make-best-entrepreneurs>"

⁶ "Why women make the best entrepreneurs. (n.d.). Atina. Retrieved from <http://www.atina.org.rs/en/why-women-make-best-entrepreneurs>"

A higher percentage of women work in the manufacturing and agriculture sectors than there are men. These sectors are usually credited with helping families escape poverty and boosting household incomes. As a further indication of the country's bright future, literacy rates among women grew by 8.8% in FY21.

India has 432 million working-age women and 13.5 - 15.7 million women-owned businesses that provide 22 - 27 million people with direct employment. Further, a number of businesses are controlled by women. According to Boston Consulting Group, female-founded start-ups generate 10% more cumulative revenue over a five-year period, as they are independent and have a strong motivation to start their own businesses. Women-led businesses are expected to grow 90% in the next five years as a result of their inclusive work culture and 3x more women than men employed by these start-ups.¹¹

KEY WOMEN ENTREPRENEURS

The glass ceiling may have prevented many women from pursuing their passions, but many women have managed to break it. These women have transformed their lives and continue to inspire others.

- **Aditi Gupta**, co-founder of Menstrupedia, began her journey when she saw the many myths and misconceptions that surrounded menstruation. Her work has been widely recognized; Forbes identified her in 2014 as one of their 30 under 30 for her efforts to break the taboos associated with menstruation. Today, Menstrupedia is present in over 6000 schools and Aditi's story has been featured in multiple notable publications such as The Wall Street Journal, Reuters, CNBC and BBC.
- **Divya Gokulnath**: Co-founder Byju's BYJU's is a worldwide operating educational technology startup. In addition to offering learning, the app helps students prepare for competitive exams such as JEE, CAT, NEET, and IAS with 42 million registered students and 3 million annual subscriptions.
- **Ritu Rathee**: The co-founder of Flying Beast, Ritu Rathee, was raised in a village where women were taught marriage was their ultimate destination and not education. The more the world pulled her back, the higher she went – just like an arrow. Ritu's perseverance didn't let her give up on her dreams. As of today, she is an Indigo Airlines Captain and co-founder of India's biggest YouTube channel, Flying Beast, with over 4.37 million subscribers all over the world.

- **Vandana Luthra**: is an Indian businesswoman and philanthropy who started VLCC as a beauty and slimming service centre in 1989. Since then, her company has expanded to provide a range of services such as hair care, full-body laser treatments, grooming, and Dermat services. She was recognized for her contributions with the Padma Shree award presented by Indian President Pranab Mukherjee in April 2013. Vandana also runs an NGO named Khushii that offers scholarships for those underprivileged or physically challenged to receive free education.
- **Kiran Mazumdar Shaw** is an extremely successful self-made Indian businesswoman, building a biopharmaceutical company in 1978. This has since entered the US biosimilars market, garnering attention from investors, and was the first firm to receive approval from the USFDA. She has put vast fortunes into creating a research-intensive biotech firm, and was listed by Forbes as India's 54th richest person and the world's 65th most powerful woman in 2019. Holding a Bachelor's degree from Bangalore University and a Master's from Melbourne University, Shaw certainly stands as an inspiration for entrepreneurs around the world.
- **Priya Paul**: After graduating from Wellesley College (US), Priya Paul started working for her father as a marketing manager after she finished her studies. Apeejay Surrendra Park hotels is headed by Apeejay Paul, an Indian woman entrepreneur. Despite her age, Paul is regarded as one of the most influential women in the world. In 2012, Paul revised Pratibha Shing Patil (Former Indian President)'s Padma Shree Award.






Brand	Founder / Co-founder	Date of Establishment	Total Funds Raised	Market Valuation
	Divya Gokulnath	2011	US\$ 8.5 billion	US\$ 18 billion
	Falguni Nayar	2012	US\$ 148.5 million	US\$ 12.5 billion
	Upsana Taku	2009	US\$ 380 million	US\$ 750 million
	Isha Choudhry	2015	US\$ 90 million	US\$ 100 million
	Chitra Gurnani Daga	2009	US\$ 1.24 million	US\$ 4.48 million

Fig 1. Women Entrepreneurs Key Players

There is still a long way to go to ensure an environment that provides equal opportunities and platforms for women, even though they have made significant contributions to improving economic and social conditions. McKinsey Global Institute

¹¹ "Rdias.Ac.In. Retrieved from <https://rdias.ac.in/contribution-of-women-entrepreneurs-to-the-indian-economy/>"

estimates that India could increase its GDP by \$770 billion by 2025 if it gave equal opportunity to women.

CONCLUSION

A woman's owning a bank account was once considered a major achievement in India. Now, it has more than 15.7 million women-owned businesses, with women leading the start-up ecosystem. Clearly, this drastic transformation is a

testament to the determination and potential of Indian women. India will undergo a major change in the coming decades, with women dominating the workforce as well as shaping and enhancing its future. In 2030, over 30 million more women-owned businesses will create 150–170 million jobs. This could be a game changer for the economy and help make the outlook for the future brighter.