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ORIGINAL RESEARCH PAPER

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WOMEN ENTREPRENEURSHIP THROUGH SELF-EMPLOYMENT IN INDIA: OPPORTUNITIES, CHALLENGES, AND POLICY IMPLICATIONS

KEY WORDS: Women entrepreneurship, Self-employment, India, Gender economics, Policy interventions, Informal sector, Financial inclusion

Dr. Chinna Ashappa

Associate Professor Department of Sociology Government Degree College Afzalpur, Kalaburagi, Karnataka

ABSTRACT

This paper examines the phenomenon of women entrepreneurship through self-employment in India, analysing its conceptual foundations, historical evolution, contemporary manifestations, and policy frameworks. Despite significant economic liberalization and policy interventions over the past three decades, women's participation in entrepreneurship and self-employment in India remains considerably lower than in many developed and developing nations. This study employs a comprehensive review of literature, analysis of secondary data from national surveys, and examination of government policy documents to understand the multifaceted dynamics of women-led self-employment.

Women Entrepreneurship and Self-employment:

Entrepreneurship is a multidimensional concept that has been theorized from various perspectives. According to Schumpeter (1934), the entrepreneur is an innovative agent who introduces new combinations of productive resources into the economic system. For women entrepreneurs, this definition has been expanded to include not only commercial innovation but also the capacity to challenge and transform gender norms and social structures (Brush & Greene, 2006).

Feminist Economic Perspectives:

Feminist economics provides a critical lens for understanding women's entrepreneurship in India, challenging the androcentric assumptions of mainstream economic theory. Scholars in this field have highlighted how gender inequalities in the household, labor market, and society at large shape women's entrepreneurial opportunities and constraints (Nelson & England, 2002). The concept of "gendered enterprises" (Miriam, 2005) emphasizes how women's businesses often reflect and reinforce traditional gender roles, with women concentrated in sectors perceived as extensions of domestic work, such as food processing, textiles, and care services.

Capability Approach:

Amartya Sen's capability approach offers another valuable framework for analysing women's entrepreneurship in India (Sen, 1999). This approach focuses on individuals' capabilities—their substantive freedoms to achieve valuable functioning. Applied to women's entrepreneurship, the capability approach highlights how access to education, credit, technology, and social networks expands women's capabilities for entrepreneurial activity. Conversely, constraints such as limited mobility, care responsibilities, and discriminatory social norms diminish these capabilities.

Women and Work in Historical Perspective:

The history of women's work in India is deeply intertwined with colonial legacies, agrarian structures, and cultural norms. In pre-colonial India, women's participation in economic activities varied across regions, castes, and communities. While women from upper castes were largely confined to domestic spheres, women from lower castes and tribal communities engaged in diverse economic activities including agriculture, craft production, and trade (Chakravarti, 2003).

Gender Norms and Household Dynamics:

Gender norms in Indian society significantly influence women's participation in economic activities. Traditional norms emphasize women's primary responsibilities in domestic and reproductive labor, limiting their time and mobility for market-oriented work (Agarwal, 1994). The patrilocal residential pattern, where women relocate to their husband's village after marriage, further constrains their access to local networks and resources.

The household serves as a critical site for negotiating women's entrepreneurial activities. While women's participation in self-employment may challenge traditional gender norms, it often occurs within the context of household strategies for economic survival and advancement (Kabeer, 2000). Men's control over household resources and women's limited bargaining power within the household can constrain women's ability to invest in and control their enterprises.

Women's Labor Force Participation: Data Highlights

India's women's labour force participation rate (LFPR) has been a subject of significant concern and debate. According to the Periodic Labour Force Survey (PLFS, 2020-21), the female LFPR for the age group 15 years and above was only 22.0 percent, compared to 56.0 percent for men. This figure places India among the lowest ranks globally in terms of women's labour force participation.

Sectoral Distribution:

Women-led self-employment in India is concentrated in a few key sectors. The agriculture sector, particularly small-scale farming and allied activities, remains the largest employer of self-employed women. Other prominent sectors include:

- **Handloom and handicrafts:** Traditional textile and craft production, often organized through cooperatives
- **Food processing and preservation:** Small-scale food enterprises, including pickle making, snack preparation, and milling
- **Dairy and animal husbandry:** Dairy farming, poultry, and livestock rearing
- **Beauty and personal care:** Salons, parlors, and cosmetic businesses
- **Retail trade:** Small shops, street vending, and informal trading

The concentration of women in these sectors reflects both their comparative advantages (such as skills in traditional crafts) and structural constraints (such as limited access to capital-intensive sectors).

Regional Distribution:

Women's self-employment rates vary significantly across Indian states. According to the 2011 Census, states with the highest female work participation rates (including self-employment) included:

- **Maharashtra:** 16.6 percent
- **Tamil Nadu:** 15.8 percent
- **Kerala:** 13.8 percent
- **Karnataka:** 13.5 percent

In contrast, states in the Hindi heartland, including Uttar Pradesh, Bihar, and Rajasthan, exhibited lower female work participation rates, often below 10 percent. These regional disparities reflect differences in economic structure, social norms, and women's education and empowerment levels.

Government Policies and Schemes at National Level:
Several government policies and schemes have been implemented to promote women's self-employment in India in twenty-first century:

Mahila Coir Yojana (1997):
Launched by the Coir Board, this scheme provides training and credit assistance to women engaged in coir processing and manufacturing. The scheme has benefited thousands of women in coastal areas, particularly in Kerala and Tamil Nadu, by providing modern equipment and market linkages.

Pradhan Mantri Mudra Yojana (PMMY, 2015)
Under this scheme, loans up to Rs. 10 lakh are provided to non-corporate, non-farm small/micro enterprises. Women entrepreneurs are a key target group, with specific provisions for their inclusion. According to official data, women account for over 68 percent of MUDRA loan accounts, reflecting the scheme's significant reach.

Stand Up India (2016)
This scheme facilitates bank loans between Rs. 10 lakh and Rs. 1 crore to at least one Scheduled Caste (SC) or Scheduled Tribe (ST) borrower and at least one-woman borrower per bank branch. The scheme aims to promote entrepreneurship among marginalized groups, including women.

Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY, 2014)
This program provides skill training and placement assistance to rural youth, with specific provisions for women. The scheme emphasizes market-relevant skills and links training to employment opportunities.

Prime Minister's Employment Generation Programme (PMEGP, 2008)
A credit-linked subsidy program for setting up new micro-enterprises. The program provides higher subsidy for women entrepreneurs and those from weaker sections.

Challenges and Barriers:
1. Financial Barriers
Access to credit remains the most significant challenge for women entrepreneurs in India. Despite government provisions for preferential lending, women face multiple barriers in accessing formal credit:

- **Collateral requirements:** Formal banking institutions require collateral, which women often cannot provide due to limited property rights.
- **Credit history:** Women entrepreneurs often lack credit history, making banks hesitant to extend loans.
- **Interest rates:** Women-led enterprises may face higher interest rates due to perceived higher risk.
- **Loan amounts:** Women often receive smaller loan amounts compared to male entrepreneurs, limiting enterprise growth.

According to the Global Findex Database (World Bank, 2021), only 26 percent of women in India have a formal account at a financial institution, compared to 46 percent of men. This gender gap in financial inclusion directly impacts women's ability to access credit for entrepreneurial activities.

Educational and Skill Barriers
Limited education and skills constrain women's entrepreneurial capabilities. According to the National Family Health Survey (NFHS-5, 2019-21), only 57 percent of women in India have completed 10 years of schooling, compared to 75 percent of men. This educational gap translates into limited business management skills, technological literacy, and market knowledge.Skills training programs often fail to reach women due to issues of timing, location, and social acceptability. Women's care responsibilities and mobility constraints limit their ability to attend training programs, particularly those located far from their homes.

Social and Cultural Barriers
Social and cultural norms continue to pose significant barriers to women's entrepreneurship:

- **Mobility restrictions:** Women, particularly in rural and conservative communities, face restrictions on traveling alone to markets, banks, and training centers.
- **Time constraints:** Women's disproportionate responsibility for unpaid care work limits their time for entrepreneurial activities.
- **Family opposition:** Families may oppose women's engagement in business activities, perceiving it as inappropriate or risky.
- **Social stigma:** Entrepreneurial failure may bring shame to the family, discouraging risk-taking.
- **Network limitations:** Women's social networks are often limited to family and immediate community, restricting access to business information and opportunities.

Legal and Regulatory Barriers
Despite constitutional guarantees of equality, legal and regulatory barriers affect women's entrepreneurship:

- **Property rights:** Hindu Succession Act amendments have granted women equal inheritance rights, yet implementation remains uneven. Women's limited property ownership constrains their ability to provide collateral.
- **Business registration:** Complex registration procedures deter women from formalizing their enterprises.
- **Labor regulations:** Labor laws often do not accommodate the flexible working arrangements preferred by women entrepreneurs.
- **Tax compliance:** Tax compliance burdens are particularly challenging for small-scale women entrepreneurs.

Suggestions and Recommendations:
Based on the analysis presented in this paper, the following suggestions and recommendations are given for strengthening women entrepreneurship through self-employment in India:

Skill Development and Capacity Building:
I. Market-relevant training: Design training programs based on market assessments and future employment opportunities.

II. Flexible delivery: Provide training through flexible delivery modes, including mobile training, evening classes, and online platforms.

III. Business development services: Expand business development services, including accounting, marketing, and technology adoption support.

IV. Mentorship programs: Establish mentorship programs linking women entrepreneurs with successful business leaders.

Market Access:

a) Procurement policies: Implement preferential procurement policies for women-led enterprises in government purchasing.

b) Market information: Establish market information systems providing women entrepreneurs with real-time price and demand information.

c) E-commerce platforms: Create e-commerce platforms specifically for women-led enterprises, with training and support.

d) Export promotion: Develop export promotion programs for women-led enterprises, including participation in international fairs.

Institutional Reforms:

I. One-stop shops: Establish one-stop shops providing integrated services for women entrepreneurs.

ii. Gender budgeting: Implement gender budgeting in all entrepreneurship-related programs.

iii. Monitoring and evaluation: Establish robust monitoring and evaluation systems tracking women's entrepreneurial outcomes.

iv. Gender sensitivity training: Provide gender sensitivity training for bank officials and program implementers.

CONCLUSION:

This paper has examined women entrepreneurship through self-employment in India, analysing its conceptual foundations, historical context, contemporary trends, challenges, and policy responses. The analysis reveals that while self-employment offers a critical pathway for women's economic participation, significant barriers constrain its transformative potential. Women-led enterprises remain concentrated in low-productivity sectors, face limited access to credit and markets, and operate under challenging social and structural conditions.

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