



In India Empowering the Economy through Inclusion Role of Women Entrepreneurship

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Abstract:

Population and Entrepreneurship have a complex, two-way connection. Women is important population and also resource for economy So that as a human resource women's role in Indian economy is important to development of economy. The connection between women and entrepreneurship development is a synergistic relationship where women's entrepreneurship drives economic and social growth, while the development of women-led ventures is crucial for achieving gender equality and empowering women. Women's entrepreneurship in India has gained significant momentum since the 1990s liberalization era, with growth accelerating in recent decades, especially within the startup ecosystem since 2016. That why study of these women entrepreneurship is important to development of economy.

Keywords: Women, Entrepreneurship, Economy, Development, Growth.

Introduction:

Entrepreneurship and economic development are closely linked, with entrepreneurship driving economic growth by creating jobs, fostering innovation, increasing productivity, and improving living standards. In turn, economic development creates an environment where entrepreneurship can flourish through supportive policies, infrastructure, and access to capital and networks.

Entrepreneurship can be a human functioning and can contribute towards expanding the set of human capabilities through being both a resource and a process. Population and entrepreneurship have a complex, two-way connection: population growth creates a larger market, which can spur entrepreneurial activity, while successful entrepreneurship can attract more

people to an area, leading to population growth. Specifically, a larger population provides more customers and potential employees, while factors like population density, age distribution, and immigration patterns influence both opportunities and the rate of new business creation. Increased demand: Population growth expands the market for goods and services, encouraging new ventures to meet demand and drive economic development. Population density: Areas with higher population density often have higher rates of business creation due to greater market opportunities and access to resources.

Women is a resource of Labor and also it is important to development to economy as a resource for every aspect related to economy. The connection between women and entrepreneurship development is

a synergistic relationship where women's entrepreneurship drives economic and social growth, while the development of women-led ventures is crucial for achieving gender equality and empowering women. Women entrepreneurs create jobs, boost economic output, and utilize resources more effectively, while their involvement helps challenge gender norms and promote balanced national growth. This mutual relationship is reinforced through government initiatives and a growing focus on creating supportive ecosystems for women-owned businesses.

Objectives:

1. To study when did to beginning of women entrepreneurship in Indian economy.
2. To study how did to beginning of women entrepreneurship in Indian economy.
3. To study the how many areas of active role women entrepreneurship and percentage in GDP in Indian economy.

When Did To Beginning of Women Entrepreneurship in Indian Economy:

Women's entrepreneurship in India has gained significant momentum since the 1990s liberalization era, with growth accelerating in recent decades, especially within the startup ecosystem since 2016. While historical examples exist, the post-1991 economic reforms provided a new landscape of opportunities and a supportive environment for women to enter diverse sectors and build businesses.

How Did To Beginning of Women Entrepreneurship in Indian Economy:

In the 1990s, women's entrepreneurship in India was primarily constrained to traditional, often home-based sectors like beauty, fashion, and food. However, the economic liberalization of 1991 began to create new opportunities, though women's participation remained low, concentrated in the informal sector like handicrafts and agriculture. Initiatives like the establishment of support organizations (FIWE) and the expansion of microfinance by institutions like SEWA Bank started to provide a more formal framework for growth, while government policies aimed at promoting entrepreneurship also began to play a role.

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Areas of Women Entrepreneurs in Indian Economy in 1990:

Low participation, Informal sector dominance, traditional sectors: according these three points. In 1991, only 4.5% of the total self-employed people in India were

women, a small number relative to the female workforce. The vast majority of women entrepreneurs operated in the unorganized or informal sector, such as agriculture, agro-based industries, and handicrafts. Many women entrepreneurs ran businesses from home and were confined to traditionally "feminine" sectors.

A history of restrictive gender roles, limited access to resources, and societal biases has historically compelled many women entrepreneurs to operate from home in "feminine" sectors. Cultural norms and structural barriers reinforced the idea that women's primary responsibility was domestic and familial, rather than public and commercial.

In the 1990s, women's entrepreneurship in India was often concentrated in traditional, "feminine" sectors, frequently as small, home-based businesses. The economic liberalization of 1991 spurred a gradual shift towards more diverse areas.

Traditional Sectors: Before the economic reforms of 1991, women's business ventures typically revolved around goods and services that extended from their traditional roles.

Food Processing: Women were involved in creating home-made products like pickles and papad.

Beauty and fashion: This included beauty services, textiles, and handicrafts, often produced and sold locally.

In Current Scenario How Many Areas Capture By Women Entrepreneurship In Indian Economy:

As of 2025, women constitute 14% of all entrepreneurs in India, representing

around 8.05 million individuals. These women own about 22% of all Micro, Small, and Medium Enterprises (MSMEs) and provide employment to 22–27 million people. The number of women-led businesses is growing, with estimates projecting that they could expand by as much as 90% in the next five years.

Key Statistics on Women Entrepreneurs:

MSME ownership: Women own over 20% of India's 63 million MSMEs.

Startup leadership: As of October 2024, the Startup India Initiative recognized over 73,000 startups with at least one woman director. This accounts for nearly half of the total startups supported by the government.

Economic impact: Reports indicate that boosting women's participation in the workforce could add up to \$700 billion to India's GDP by 2025.

Growth potential: Some estimates suggest that accelerating women's entrepreneurship could lead to the creation of 30 million women-owned businesses and 150 to 170 million jobs by 2030.

Relation between GDP and Entrepreneurship to Develop Economy:

Entrepreneurship and GDP have a positive and significant relationship, where entrepreneurship drives economic development by creating jobs, fostering innovation, and increasing production, which in turn leads to a higher GDP. A stronger economy with a higher GDP encourages more entrepreneurship by creating a more favourable environment for new businesses, including opportunities for growth, investment, and consumer spending.

How to Impact In Current Situation Women Entrepreneurship on Indian Economy:

In current scenario Women's entrepreneurship impacts the Indian economy by boosting GDP, creating jobs, fostering innovation, and promoting equitable distribution of economic power. Current efforts to increase this impact include government schemes for financial support, dedicated incubators, and programs aimed at skill development.

Percentage of Women Entrepreneurship in GDP of Indian Economy:

Women contribute approximately 17% to India's GDP. Although women represent a significant portion of the population, their economic contribution is still lower than the global average. This situation reflects the fact that Indian culture has kept women away from the economy for a long time and their social value is also lower than that of men. As a result, many women have not been connected to the economy for a long time. Women's entrepreneurship began in the Indian economy in the 20th century. This started very late compared to other countries and therefore the participation of women in the GDP is low. But Women contribute about 17% to India's GDP and Entrepreneurship: There are about 15 million MSMEs (Micro, Small and Medium Enterprises) in women-led industries. so it in future Increasing participation of women in the workforce can significantly increase India's GDP.

Concluding Remarks:

Considering the above discussion, it is clear that entrepreneurship for women is

mostly a necessity-based activity with limited scope for innovation. Because in India, women were kept away from education for a long time, their labour was not seen as important labour for development, so for a long time the labour of Indian women was kept away from India's development. Since half of India's population is women, half of the labour was kept away from development due to Indian culture. In recent times, as the attitude towards women has become positive, all doors of development have been opened for women, which is why today's Indian women are becoming entrepreneurs. In recent times, there has been an increase in women-owned enterprises, which reflects the high level of informalization and vulnerable industries, and as the share of women entrepreneurs in development is increasing, this is a positive side of Indian development.

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