

## ► About AVPN

AVPN is a unique funders' network based in Singapore committed to building a vibrant and high impact social investment community across Asia. As an advocate, capacity builder, and platform that cuts across private, public and social sectors, AVPN embraces all types of engagement to improve the effectiveness of members across the Asia-Pacific region. The core mission of AVPN is to increase the flow of financial, human and intellectual capital to the social sector by connecting and empowering key stakeholders from funders to the social purpose organisations they support. With over 600 members across 32 countries, AVPN is catalysing the movement towards a more strategic, collaborative and outcome-focused approach to social investing, ensuring that resources are deployed as effectively as possible to address key social challenges facing Asia today and in the future.

## ► About LEAD at Krea University

LEAD (formerly IFMR LEAD), is an action-oriented research centre of IFMR Society that leverages the power of research, innovation and co-creation to solve complex and pressing challenges in development. LEAD has strategic oversight and brand support from Krea University (sponsored by IFMR Society) to enable synergies between academia and the research centre. Since 2005, LEAD has been at the forefront of development research and programming in India, and has managed a portfolio of over 265 projects in collaboration with over 300 academics, governments, NGOs and private sector organisations from across the globe.

## ► Acknowledgements

This research study was commissioned by AVPN with support from J.P. Morgan. The research team at LEAD at Krea University would like to thank Maneesha Chadha, Sourabh Anand and Cecilia Mok from J.P. Morgan, and Aravindan Srinivasan, Lavanya Jayaram, Tristan Ace, Deborah Foo, Hiral Sarvaiya, Roshini Prakash, Sangeetha Watson, Patricia Mathias and Saransh Maheswari, from AVPN, for providing guidance, insights and expertise that greatly assisted the study.

We express our gratitude to all the experts who participated in the stakeholder consultations that helped validate the study framework and preliminary findings and solutions.

We would also like to thank our team members, Abhishek Gupta, Debdulal Thakur, Morchan Karthick, Nelson Mathews Mathuram, Pallavi Duggal, Gayathri Balan, Divya Hariharan for assisting with the research, analysis, stakeholder interviews and drafting of the report at various stages, and Sijo John for providing inputs on the draft.

### **TECHNICAL LEAD:**

Sharon Buteau

### **AUTHORS:**

Sharon Buteau, Preethi Rao, Diksha Singh, Mridulya Narasimhan

### **DESIGN:**

Sakthivel Arumugam



## Foreword by Lavanya Jayaram, Executive Director – South Asia, AVPN

India's entrepreneurial population is dramatically skewed, with just a fifth of enterprises in India owned and operated by women - driving a compelling need for us to investigate the reasons why and how we can as a community of social investors drive a much-needed boost in women's economic empowerment and entrepreneurship as a pathway for catalysing inclusive growth.

There is a growing urgency to create a gender dividend in India, by enabling women to be successful entrepreneurs. Enabling women to be entrepreneurs also means their potential to contribute towards innovation, job creation, and economic growth increases significantly. Increasing women entrepreneurs could have a ripple effect and play a key role in inspiring other women, both in the current and next generation, to emulate the success and to start businesses, leading to job creation for more women, and eventually leading to a reduced gender gap in the workforce.

AVPN launched the Asia Gender Network, the first pan-Asia network of philanthropists committed to mobilising capital (financial, human and intellectual) to improve outcomes for women and girls. The AGN moves capital to causes that empower women and girls in Asia to drive gender equality across the region.

AVPN has launched several initiatives to build a more equitable world for women and girls in India. Harnessing the power of collaboration, AVPN successfully launched Philanthropic Pooled Funds. The STEM Pooled Fund, along with key funders, aims to increase women's participation in STEM careers as it has the power to close the gender gap and boost women's cumulative earnings exponentially over the next ten years, expediting global economic development. The organisation also launched its Asia Gender Equality Pooled Fund with the objective to raise US\$25 million to provide unrestricted funding to high-impact organisations that support economic advancement for women and girls over a five-year period by

bringing together funders with a mission to address the challenges in gender equality amongst the most vulnerable communities in Asia.

Among the most promising gender-sensitive approaches are measures that prioritise women's labour market participation, and support for sectors with larger female representation, and ensure enabling structure to ensure accountability, diversity, equity, and inclusivity.

In our attempt to provide these enabling structures we looked at the urban and peri urban areas which have a large concentration of entrepreneurs, and with the support of J.P. Morgan, undertook this study to investigate what the unique challenges faced by women in these areas are and what the line of solutioning could be. Through this report we address how 'Collaborative Philanthropy' can be leveraged to catalyse investment in women's economic empowerment, by creating an enabling local ecosystem for entrepreneurship development, in underserved urban and peri-urban regions. AVPN believes that collaborative philanthropy can play an important role in helping India bridge the gender gap to accelerate towards the Sustainable Development Goals.

We sincerely hope that AVPN members and the larger ecosystem stakeholders find this report useful in identifying collaboration opportunities and developing their philanthropic strategies. We can only start to address these complex gap areas by leveraging the power of collaborative philanthropy. If the next decade of social investment is to be the Asian decade of social investment, it is vital that philanthropic capital is unlocked and philanthropists take joint action. Here's urging you to join us in the effort to build a vibrant social investment ecosystem together.

We are thankful to J.P. Morgan for initiating and supporting this pertinent research; to LEAD at Krea University, for their research partnership, and to all those who participated in this exercise by providing their valuable insights and contributions to the report.

## ► Executive Summary

Entrepreneurship development is an important pathway for enabling women's participation in the economy and can be a catalyst for change by providing income-generating opportunities. In India, a significant portion of the GDP and employment is generated by nano and micro enterprises. Among these enterprises, very few are owned and operated by women. Globally, India ranks 57 out of 65 countries in women entrepreneurship. While several challenges faced by entrepreneurs are universal, women entrepreneurs continue to face a host of gender-specific barriers.

In recent years, there has been increasing emphasis on advancing women's entrepreneurship by the government, private sector and non-profit organisations. Schemes such as the Mudra Yojana, Annapurna scheme and Udyogini, among others, have been introduced to provide women entrepreneurs access to collateral-free finance. In addition, private sector and philanthropic initiatives are also increasingly focusing on harnessing women's entrepreneurial potential through a range of targeted programs. Currently, domestic and international philanthropy and corporate social responsibility initiatives in India are largely concentrated in health and education, with a focus on rural India (OECD, 2022). There is significant opportunity to mobilise capital and fund underserved regions as well as segments that have growth potential. Moreover, while there has been a significant focus on building linkages for microentrepreneurs through livelihood support in rural areas, much less has been done in urban and peri-urban areas. Urban and peri-urban areas have distinct challenges and opportunities that can be leveraged to foster women entrepreneurship. For instance, social and professional networks in these areas are more fragmented, and nuclear household structures result in lack of support for care responsibilities.

To contribute to the dialogue on finding actionable solutions that can inform collaborative approaches, we conducted a rapid assessment of the landscape - combining literature review, analysis of secondary data sources and key informant interviews with various ecosystem players. The goal of this assessment was to map the current landscape of entrepreneurship in urban and peri-urban areas, identify different archetypes of entrepreneurs, and identify intervention areas that offer opportunities for collaborative action.

Based on a literature review, analysis of NSSO data and in-depth interviews with key stakeholders, this report identifies four archetypes of women entrepreneurs that broadly represent the entrepreneurship landscape in urban and peri-urban areas:

- Subsistence/Striving Entrepreneurs
- Solopreneur/Homepreneurs
- Conventional/Steadfast Entrepreneurs
- Opportunity Entrepreneurs/Benefactors

The archetypes are primarily categorised on the basis of monthly revenue. While traditional categorisations of entrepreneurs by turnover use a similar approach, it is important to highlight that even within these archetypes, there remains high heterogeneity of entrepreneurial intent and outcomes. The archetypes provide a preliminary framework for informing targeting efforts, over and above the existing administrative classifications by turnover and employment size. Across archetypes, three key barriers stand out: lack of access to timely and affordable capital; lack of information about relevant schemes and opportunities; few opportunities to network with peers and mentors, exacerbated by lack of professional networks, and mobility constraints.



Collaborative philanthropy, in which entities “channel resources from multiple donors to nonprofits”, can address some of these challenges by pooling funds and expertise from diverse partners. Philanthropic giving through collaboratives entails combining assets, specialised knowledge, skills, and relationships to tackle complex issues. Such an approach offers funders an opportunity to enable systemic change, as compared to institutional philanthropy.

There are several opportunities for joint action. **Firstly, a philanthropic collaborative can play a critical role in “filling the gaps”, by moving capital towards underserved entrepreneur segments and geographies.** Since the barriers that women entrepreneurs face vary by region and socio-economic context, a more collaborative approach can help address high-priority challenges for underserved segments and regions. As the global development sector looks toward a gender-inclusive recovery from the COVID-19 pandemic, focusing on entrepreneurs within the Solo/Homepreneur and Conventional/Steadfast segments can enable women to access opportunities and create a multiplier effect on economic growth.

We also find robust evidence in favour of a **well-rounded package of interventions** to advance women’s entrepreneurial activity and improve business outcomes - instead of a siloed approach or piecemeal interventions (e.g. access to skills training or credit alone) that fail to address the root of the problem. There is a significant opportunity for philanthropic organisations and partners in the ecosystem to break these silos, by acting on a robust impact thesis that enables cross-sectoral collaboration. Inspiring more women in urban and peri-urban areas to pursue their ideas and see entrepreneurship as a career pathway requires mobilisation at the community level, similar to the robust community-based institutional platforms that have been created

in rural India. Through collaborative giving, it is possible to seed a pan-India network of organisations and partners that can mobilise aspiring entrepreneurs and create a vibrant regional entrepreneurship ecosystem. While there are various solutions available in the ecosystem to address credit gaps, skilling requirements, and other challenges, there is a lot of duplication, and a lack of cost-effective, scalable models. As the idea of trust-based philanthropy takes root globally, collaborative philanthropy can **provide flexible capital to drive innovation - thereby diversifying the risk of testing “what works” for different entrepreneur segments,** and accelerating the learning curve for donors, and implementing organisations.

Finally, entrepreneurship is a complex phenomenon, and existing measures and data are inadequate to inform long-term strategies and investments. There is a need for robust data to gauge why millions of women-led enterprises continue to operate at a subsistence level and are unable to graduate to the next stage. Given the complexities that underpin the measurement of women’s entrepreneurial activity, **collaboratives can invest in longitudinal studies and robust data collection mechanisms to bridge data gaps and improve the sector’s understanding of how enterprises led by women are established, operated and scaled over time.**

# Table of Contents

<b>'01</b>	Background	7
<b>'02</b>	Approach and Conceptual Framework	9
<b>'03</b>	What Does the Literature Say?	11
	3.1 Where are India's Women-led Enterprises?	
	3.2 Barriers and Challenges: Individual, Social, Market and Ecosystem-level	
<b>'04</b>	Mapping Archetypes of Women Entrepreneurs	19

<b>'05</b>	Mapping Problem Statements to Inform Collaborative Solutioning Efforts	22
<b>'06</b>	What are the Solutions Available in the Ecosystem?	27
	Pillar 1: Encouraging Entrepreneurship	
	Pillar 2: Enhancing Business Acumen and Growth	
	Pillar 3: Enabling Environment	
	6.1 Framework for Leveraging Collaborative Philanthropy	
	6.2 Making Collaborative Philanthropy Work for Women Entrepreneurs: What's Next?	

# 1 Background

Women entrepreneurs have been identified as an important segment for increasing entrepreneurial activity in India, thereby significantly contributing to economic development (IFC, 2017).<sup>1</sup> Data suggests that in India, around 22 to 27 million direct employment opportunities can be created by tapping the estimated 13.5 to 15.7 million women-owned and operated enterprises.

However, the current scenario is far from this. This is reflected by the dismally low ranking of women entrepreneurs, with India ranked 57 out of the 65 countries surveyed for Mastercard's Index of Women Entrepreneurs.<sup>2</sup> The gender gap in entrepreneurship is also reflected in the World Economic Forum's Gender Gap Report, which ranks India 142 out of 149 countries in their indicator group "economic participation and opportunity." As of 2021, of all MSMEs across India, a little over 20 per cent was women-owned vs. 30 per cent globally, with the majority of these enterprises falling in the microenterprise category.<sup>3,4</sup> Single-person or own-account enterprises are a common feature of women-owned enterprises in India. Lower returns and employment are also common. For example, only 17 per cent of all women-owned enterprises employ workers compared to 28 per cent of all enterprises.

In the past few decades, there has been increasing emphasis on enabling women's entrepreneurship as a pathway to women's economic empowerment through policy and development initiatives. Some of the major government schemes for supporting women entrepreneurs include the Annapurna scheme, Mudra Yojana, and Udyogini.<sup>5</sup> In

addition, private sector and philanthropic initiatives are also increasingly focusing on harnessing women's entrepreneurial potential through a range of targeted programs.

A 2022 study by OECD suggests that domestic and international philanthropy and corporate social responsibility (CSR) initiatives in India are largely concentrated in health and education, with a focus on rural India.<sup>6</sup> With regard to gender equality, areas that receive a majority of financing include reproductive health, family planning, support to women's rights organisations and ending violence against women. The funding is also skewed towards a few states, and there is an opportunity to create dynamic regional entrepreneurship ecosystems in underserved regions.

As gender-lens investing gains traction in South Asia and with increasing recognition of the business and social impact case for investing in women-led enterprises, there is also a need to sharpen our understanding of the mechanisms through which philanthropic capital can be leveraged to catalyse entrepreneurship.

Traditionally, enterprises in India have been classified based on investment in plant and machinery and turnover. Given the diversity of entrepreneur profiles and enterprise types in the urban and peri-urban business landscape, combining these metrics with psychosocial factors such as motivation can provide more granular insights into targeting different enterprise segments and investing in solutions tailored to their diverse needs.

<sup>1</sup> MSME Finance Gap: Assessment of the Shortfalls and Opportunities in Financing Micro, Small, and Medium Enterprises in Emerging Markets, IFC, 2017

<sup>2</sup> Mastercard Index of Women Entrepreneurs, 2022

<sup>3</sup> <https://www.statista.com/statistics/1118549/india-share-of-women-owned-msmes/>

<sup>4</sup> Basole A. & Chandy V. (2019) Microenterprises in India: A Multidimensional Analysis, Global Alliance for Mass Entrepreneurship and Azim Premji University, Bangalore.

<sup>5</sup> <https://msme.gov.in/women-entrepreneurs>

<sup>6</sup> Taking stock: Domestic Philanthropy and Corporate Social Responsibility for Gender Equality in India, OECD, 2022

## Women's Entrepreneurship in an Urban and Peri-Urban Context

To understand women's entrepreneurship in an urban and peri-urban context, it is pertinent to understand the push and pull factors that motivate them to pursue an entrepreneurial venture. A great deal of entrepreneurship literature discusses this aspect of 'motivation' for entrepreneurship. This motivation arises due to two major factors - opportunity and necessity. Further, entrepreneurial ventures can have varied motivations under different contexts (González-Pernía, Guerrero, Jung, and Legazkue (2018)).<sup>7</sup> As the spatial and situational context changes from rural to peri-urban to urban, the motivation for initiating and running an entrepreneurial venture also changes, and more so in a diverse country like India.

Welter (2011)<sup>8</sup> observes that entrepreneurship also has a spatial and geographical context. Yunis et. al. (2020)<sup>9</sup> observe that the social and economic context of women as entrepreneurs has received lesser emphasis in the literature than other entrepreneurship variables. In a developing country like India, one of the main spatial aspects that influence entrepreneurship is the household. In this context, Mirchandani (1999)<sup>10</sup> observes that the home is often a convenient business site for women, given restrictive socio-cultural norms and poor mobility.

However, these socio-cultural norms are not uniform across India and vary significantly across urban and rural areas. While urban areas have long been considered engines for economic growth and activity, peri-urban areas are also emerging as dynamic hubs for decentralised economic activity and are observing continuous changes, mainly with regard to land use, population features, and social systems.<sup>11</sup>

This report presents findings from a rapid landscape assessment of women's entrepreneurship in peri-urban and urban areas of India. It presents findings from an extensive review of the literature on women entrepreneurship in India and emerging markets, and consultations with key stakeholders and experts.



<sup>7</sup> González-Pernía JL, Guerrero M, Jung A. Economic Recession Shake-Out and Entrepreneurship: Evidence from Spain. *BRQ Business Research Quarterly*. 2018;21(3):153-167. doi:10.1016/j.brq.2018.06.001

<sup>8</sup> Welter F. Contextualizing Entrepreneurship—Conceptual Challenges and Ways Forward. *Entrepreneurship Theory and Practice*. 2011;35(1):165-184. doi:10.1111/j.1540-6520.2010.00427.x

<sup>9</sup> Yunis, M. S., Hashim, H., and Tayyeb, S. (2020). The gendering of context: A fresh perspective of women social Enterprise in Pakistan. *Bus. Econ. Rev.*12, 25–48. doi: 10.22547/BER/12.1.2

<sup>10</sup> Mirchandani, K. (1999). Feminist insight on gendered work: new directions in research on women and entrepreneurship. *Gender Work Org.* 6, 224–235. doi: 10.1111/1468-0432.00085

<sup>11</sup> A note on the understanding of urban, peri-urban and rural has been attempted in a subsequent section.



## 2 Approach and Conceptual Framework

To gather insights for this rapid assessment study, a multi-pronged approach was used, which included a combination of primary and secondary research methods. A review of the literature and secondary data sources was conducted to understand the landscape of women entrepreneurship in India with a focus on urban and peri-urban areas, barriers faced by aspirants and female entrepreneurs, and solutions available in the ecosystem. Secondary research was used to inform the framework for women archetypes and identify key problem statements. Primary data was collected through semi-structured interviews with 24 experts and key stakeholders working within the entrepreneurship ecosystem and members of AVPN. The interviews helped validate the archetype framework, key problem statements, and emerging solutions that have the potential for scale-up. The 10 problem statements identified by the report represent concrete, actionable areas of enquiry that sector experts will solve for in the subsequent stages. A preliminary prioritisation of problems is suggested based on a RICE (Reach, Impact, Confidence, Effort) matrix.

### 2.1 Defining Women Entrepreneurs

Within policy and academia, women entrepreneurship has been defined in several ways. It is seen as the “act of owning a business, which potentially makes women economically independent.” It is further the “act of organising, operating a business enterprise, and creating employment opportunities for women”. OECD (2004)<sup>12</sup> also adds that

“women entrepreneurs create new jobs for themselves and others, and by being different also provide society with different solutions to management, organisation and business problems as well as to the exploitation of entrepreneurial opportunities.” Along the same lines, the European Commission defines a woman entrepreneur as a “woman who has created a business in which she has a majority shareholding and who takes an active interest in the decision-making, risk-taking and day-to-day management.”

For the purpose of this study, we adopt a broader, synthesised definition of a Woman Entrepreneur:



A woman Entrepreneur is a woman who **starts, operates, leads and manages** a business enterprise. Therefore, a woman entrepreneur is seen to be a woman aspiring for **economic freedom** individually as well as creating **employment opportunities** for others and/or social impact parallelly.

## Unpacking Peri-Urban and Urban spaces

Typically, the population size and density of an area distinguish one urban area from the other and also from rural settlements.<sup>13</sup> In the last couple of decades, 'Urban Outgrowths' defined by the Census of India<sup>14</sup> as "a viable unit such as a village or part of a village contiguous to a statutory town and possesses the urban features in terms of infrastructure and amenities such as pucca roads, electricity, tap water, drainage system, education institutions, post offices, medical facilities, banks, etc.", have emerged between urban and rural areas. These outgrowths are often referred to as peri-urban settlements.

Over the years, the expansion of the urban periphery has created the potential for increased income opportunities, especially for businesses which were earlier predominantly restricted to traditional small-scale manufacturing in rural or service-driven industries in the urban setting.<sup>15</sup> This peri-urbanisation has had a positive effect on mobility and migration, with the proportion of rural commuters increasing over the past few decades.<sup>16</sup>

From an entrepreneurship development perspective, understanding the differential characteristics of urban and peri-urban spaces, and access to resources, and professional and community networks, is critical. For instance, Indian cities such as Bangalore, Mumbai and New Delhi have been ranked among the top 25 start-up ecosystems globally. Bangalore and New Delhi also feature in the top 50 cities for attracting high-potential women entrepreneurs, according to Dell's 2019 Women Entrepreneur Cities Index.<sup>17</sup> Tier-2 cities such Jaipur, Ranchi, Ludhiana, Mangalore, and

Panchkula are also emerging as promising hubs for entrepreneurship and start-up activity. Analysing the spatial determinants of women-led entrepreneurship in India, Ghani et al (2012) find that higher female ownership among incumbent businesses within a district industry (for manufacturing and services sectors) predicts that a greater share of subsequent entrepreneurs will be female. Among broader factors, the quality of infrastructure available in a district and the education level of the working population are strong predictors of entrepreneurship activity. Other factors that differentiate urban and peri-urban areas from rural areas include land use, employment opportunities in emerging non-farm sectors, and heterogeneity in social groups and networks. These regional variations in institutional frameworks, policies, and socio-cultural factors play an instrumental role in enabling entrepreneurship activity. Thus, understanding these spatial characteristics can pave the way for tailored women's entrepreneurship development approaches in urban and peri-urban areas.

<sup>13</sup> Peri-urban areas have been defined in various ways in literature. Some academics refer to the "districts around the metropolises" (Sen (2016))# or arbitrary "buffer zones" (Banu & Fazal, 2013#) to define peri urban areas. Another classification of peri-urban pockets says that the population of the centre must be between 10,000 to 1 lakh. According to the census of India, a habitation is termed as urban (excluding a municipality, corporation, cantonment board and a notified town area committee) if the habitation has a minimum population of 5,000, having at least 75% of the male working population engaged in non-agricultural activities, and the population density is not less than 400 people per sq km.#. In this context, it may be noted that even in 2022 the 'male' population engaged in non-agricultural activities is considered as a key criteria to define what is 'urban', and thus reinforcing the marginalisation of 'women' in the larger employment arena.

<sup>14</sup> Census of India 2011: Administrative Atlas, Office of the Registrar General & Census Commissioner, India. Available online: [www.censusindia.gov.in/2011census/maps/atlas/administrative\\_atlas.html](http://www.censusindia.gov.in/2011census/maps/atlas/administrative_atlas.html)

<sup>15</sup> Tacoli, C. Links between Rural and Urban Development in Africa and Asia; UN/POP/EGM-URB/2008/09, United Nations Expert Group Meeting on Population Distribution, Urbanization, Internal Migration and Development; Population Division, Department of Economic and Social Affairs, United Nations Secretariat: New York, NY, USA, 2008.

<sup>16</sup> Dyson, T. and P. Visaria (2005), Migration and urbanization: retrospect and prospects, in Twenty-First Century India: Population, Economy, Human Development and the Environment, Tim Dyson, Robert Cassen and Leela Visaria, (editors), Oxford University Press, Oxford.

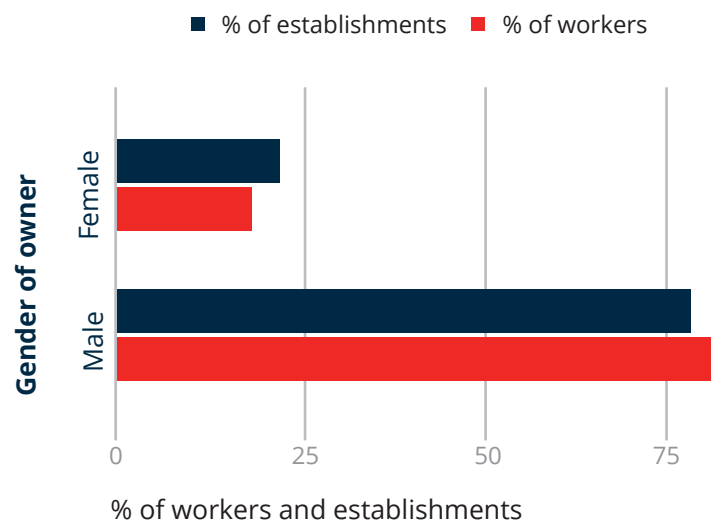
<sup>17</sup> Dell 2019 Women Entrepreneur Cities (WE Cities) Index, 2019

## 3

## What Does the Literature Say?

There are an estimated 10.84 million women-led enterprises in urban India (NSS 73rd round). While the absolute representation of women in entrepreneurial ventures in India has consistently increased over the years, this number remains considerably low.

**Figure 1: % of workers and establishments by gender**

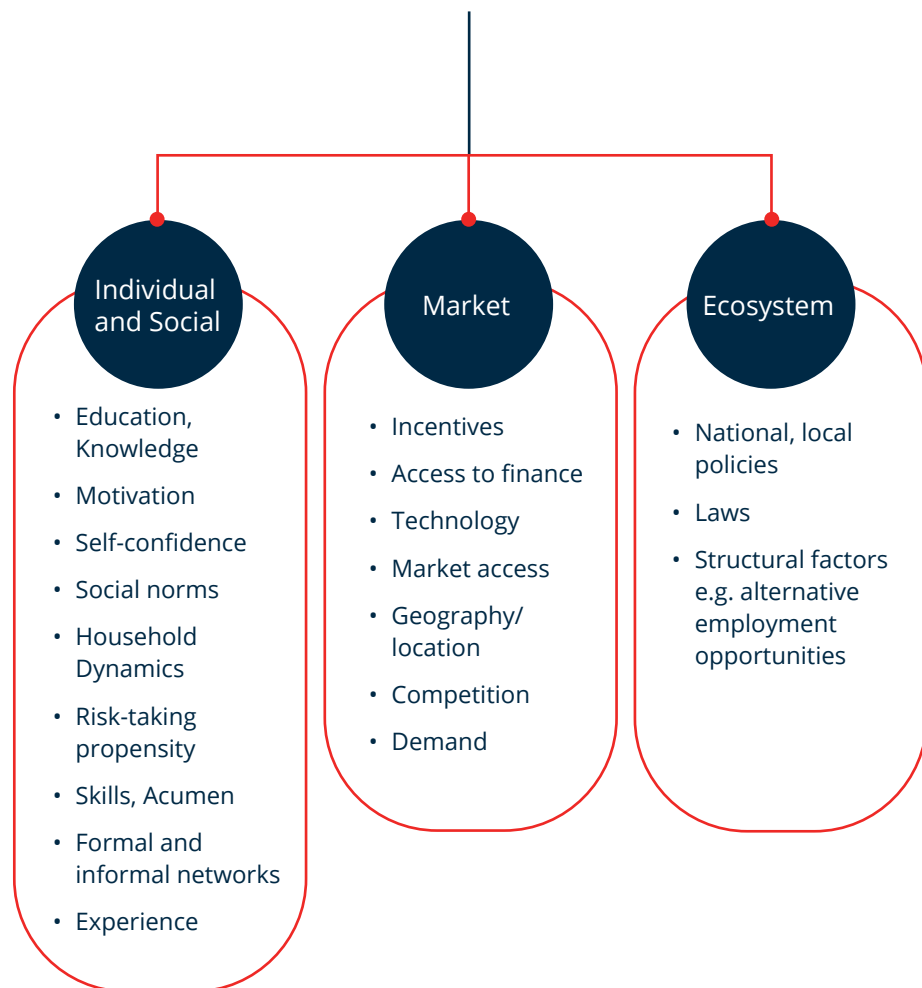


Source: PLFS 2018-19

Women entrepreneurship in urban and peri-urban areas in India is characterised by leveraging hyperlocal demand for goods and services. Such inherent latent demand provides women entrepreneurs with opportunities to start, sustain and scale/scope the business. Women entrepreneurs are, however, faced with persistent structural and normative barriers that affect their business mindset and operations. This is consistent across industries and locations but accentuated for women entrepreneurs from specifically disadvantaged social groups like scheduled castes, the disabled or religious, ethnic or linguistic minorities.

Alongside recognising these intersectionalities, there is a need to also unpack women's entrepreneurship choices through a psychological lens in terms of entrepreneurs' behaviours, motivations, attitudes and values. These need to be combined with the tangible factors which loom large for any business operation such as turnover, level of formalisation, credit needs, and customer acquisition model, among others. Below is a list of factors that are important for a disaggregated analysis of women's entrepreneurship.

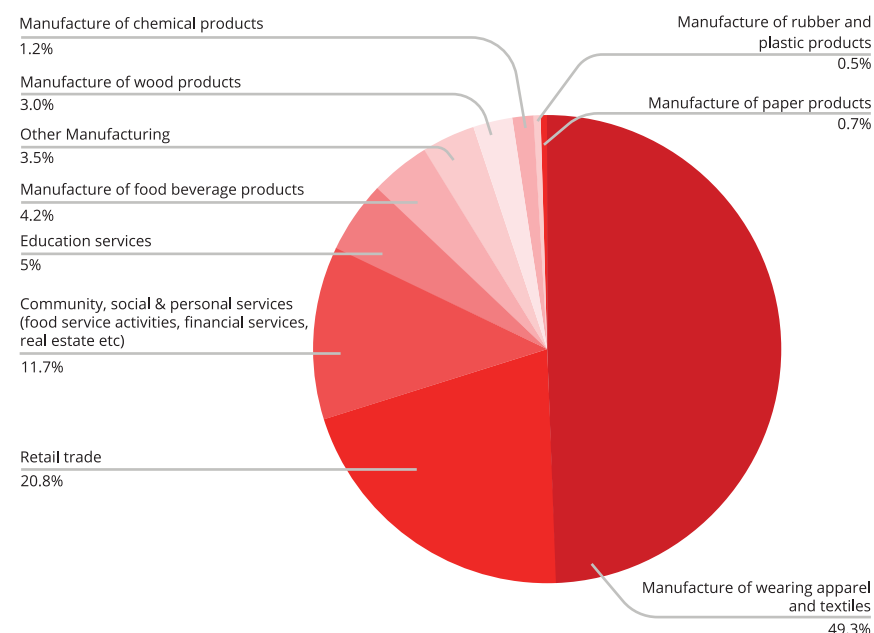
**Figure 2:** Factors influencing women entrepreneurship



### 3.1 Where are India's Women-led Enterprises?

Entrepreneurial activity has traditionally been more concentrated in certain domains and sectors. Women entrepreneurs are active in social sectors such as health, environment, education and women's hygiene. They are also active in commercial sectors such as fashion, cosmetics, food, garments, textiles and services. Overall, they are largely established in low value-added, low-technology and more labour intensive sectors. Data from the Sixth Economic Census<sup>18</sup> points out that close to one-third of all the women-led enterprises in India operate in agriculture.

**Figure 3:** Top sub-sectors of operation for women-owned small businesses



Source: IFC (2022); Data - NSS 73rd Round (Excludes manufacture of tobacco products)<sup>19</sup>

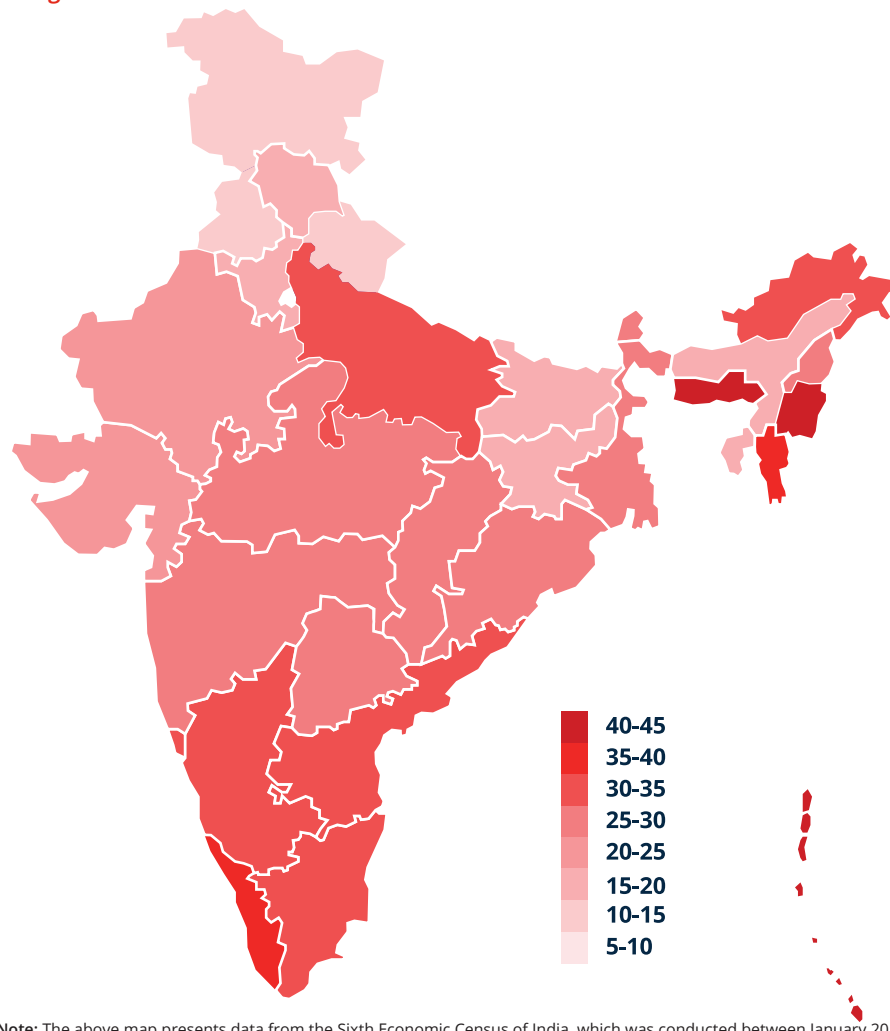
<sup>18</sup> All India Report of Sixth Economic Census, 2016. <https://msme.gov.in/sites/default/files/All%20India%20Report%20of%20Sixth%20Economic%20Census.pdf>

<sup>19</sup> Opportunities and Constraints of Women Owned Very Small Enterprises in India, IFC, 2022. <https://www.ifc.org/wps/wcm/connect/2da6ccb4-5f11-4c25-8937-5a78ed26e9ce/Opportunities-and-Constraints-of-WVSEs-in-India.pdf?MOD=AJPERES&CVID=nZG2110>



Following IFC (2022), the figure above points out to the top sub-sectors of operation of women-owned very small-enterprises in India.

**Figure 4: % of firms with female owners across states**



**Note:** The above map presents data from the Sixth Economic Census of India, which was conducted between January 2013 – April 2014, and represents the political boundaries of States and Union Territories at the time.

In terms of regional variation in entrepreneurship activity, the five states of Tamil Nadu, Kerala, Andhra Pradesh, West Bengal and Maharashtra account for 53 per cent (4.3 million) of all business establishments owned by women nationwide.

### 3.2 Barriers and Challenges: Individual, Social, Market and Ecosystem-level

Women face a multitude of interlinked barriers that hinder their entrepreneurial potential in India. Our literature review has highlighted several extrinsic and intrinsic factors that are linked to various gender-based access hurdles.<sup>20</sup> Extrinsic factors such as social norms, access to finance, poor market access, weak governance structures prohibit women from pursuing entrepreneurship. On the other hand, intrinsic reasons like limited skillsets, lack of entrepreneurial appetite, severely limit the business growth potential, forcing businesses to stay small. The vast majority of female-owned enterprises (83.2 per cent) in India do not generate employment, relying on the entrepreneur to operate the business or seek unpaid support from family members.<sup>21</sup>

The literature especially points out biases pertaining to social norms, agency, networks and gender-blind laws/regulations that lead to the lack of a level-playing field for women entrepreneurs.

The following section provides a focused review of relevant academic and industry literature.

#### Social and Cultural Norms and Biases

On average, female entrepreneurs start their ventures 10 years later than their male counterparts. The gendered division of labour, and the double burden of caregiving duties and household work, act as time constraints that leave women with fewer hours to dedicate to enterprise-related activities.<sup>22,23,24</sup> Family structures also play an important role in influencing women's decisions to pursue paid working opportunities and

<sup>20</sup> Raghuvanshi, J., Agrawal, R. and Ghosh, P. K. (2017) 'Analysis of Barriers to Women Entrepreneurship: The DEMATEL Approach', The Journal of Entrepreneurship, 26(2), pp. 220–238. doi: 10.1177/0971355717708848.

<sup>21</sup> The Sixth Economic Census (2013-14)

<sup>22</sup> Bittman et al., 2003; Sayer, 2005

<sup>23</sup> Women Entrepreneurs as Powerhouse of Recovery, LEAD at Krea University (IFMR), 2019.

<sup>24</sup> Sharmila P.M., Status of Women Entrepreneurship in India, International Journal of Women Entrepreneurship in India, 2020.

entrepreneurial activities, given that 52.3 per cent of urban households in India are nuclear family structures (Census, 2011). This trade-off can be more pronounced in urban areas, and varies depending on the entrepreneur's social and economic background. Entrepreneurial activity organised from the home thus offers women an opportunity to balance unpaid care work and childcare responsibilities.

In times of financial stress or health shocks, as reflected by the ongoing pandemic, enterprise activities are even further deprioritised, with revenues used to meet household needs or even channelled to the male-owned enterprises in the family.<sup>25</sup>

Women entrepreneurs also experience unconscious gender bias and stereotypes around women's roles, and expectations regarding leadership styles also influence entrepreneurial success.<sup>26</sup>

This occupational segregation further perpetuates unintentional associations pertaining to business acumen, limited risk appetite and is also a key contributor to the increasing gender-earning gap.<sup>27</sup>

### Entrepreneurial Mindset and Individual Attributes

An entrepreneur's skill, attitude and business acumen, as well as his or her personal and professional networks are crucial in determining his or her ability to start, sustain and scale an enterprise. Individual factors such as risk perception, self-confidence, perceived capabilities influence women's decision to engage in entrepreneurship.

The intrinsic motivations of women entrepreneurs vary depending on their socio-economic context. For instance, a woman seeking greater financial autonomy while balancing care responsibilities may opt for a home-based business with a lower risk profile.

There is a need to build women's self-efficacy, confidence, and ability to manage business responsibilities. The Value for Women report (Global Entrepreneurship Monitor, 2012)<sup>28</sup> found that in all the 99 sample countries, a minuscule percentage of women perceive that they have the required skillsets and command to initiate a business vis-a-vis men.

Education is another vital factor that influences entrepreneurial ambitions and success. With limited access to formal education, business training is crucial for female micro-entrepreneurs,<sup>29</sup> especially for women whose opportunities are constrained by restrictive social norms.<sup>30</sup> Women entrepreneurs also possess limited technical, soft skills, business management and financial skills. Kelley et al. (2013)<sup>31</sup> find that low levels of education in developing countries, especially among women, can make them less competitive in a job market, pushing them to choose entrepreneurship out of necessity.

Low self-confidence, the absence of business-related skills and the necessary soft skills to pitch their business venture and negotiate are some of the other common problems faced by women entrepreneurs.<sup>32</sup>

### Access to Credit

Women's ability to access formal and basic financial services for business, in both developing and developed countries is a major challenge. Without this access, women face greater difficulties in collecting and saving income and in growing their businesses.<sup>33</sup> Much of the reason for limited credit sources stem from inadequate financial trail, absence of collaterals and assets in the name of women entrepreneurs, limited knowledge about financial products and misconceptions around low-risk appetites that limit their credibility with financial institutions.<sup>34</sup> Moreover, women entrepreneurs are also involuntarily excluded from banking

<sup>25</sup> Narasimhan, M., Morchan, K., Bargotra, N., Wangchuk, R. (2020). COVID-19-19 Enterprise Response Research. LEAD at Krea University.

<sup>26</sup> Bullough, A., Guelich, U., Manolova, T.S. et al. Women's entrepreneurship and culture: gender role expectations and identities, societal culture, and the entrepreneurial environment. *Small Bus Econ* 58, 985–996 (2022). <https://doi.org/10.1007/s11187-020-00429-6>

<sup>27</sup> Policy Brief on Women Entrepreneurship, OECD, 2016. <https://www.oecd.org/cfe/smes/Policy-Brief-on-Women-s-Entrepreneurship.pdf>

<sup>28</sup> <https://v4w.org/>

<sup>29</sup> Jayachandran, S., 2021. Microentrepreneurship in developing countries. *Handbook of Labor, Human Resources and Population Economics*, pp.1-31.

<sup>30</sup> Jayachandran, S., 2021. Social norms as a barrier to women's employment in developing countries. *IMF Economic Review*, 69(3), pp.576-595.

<sup>31</sup> Kelley, D., C. Brush, P. Greene, Y. Litovsky and Global Entrepreneurship Research Association (2013), *Global Entrepreneurship Monitor 2012 Women's Report*

<sup>32</sup> Sinha, P. (2003). Women entrepreneurship in the North East India: motivation, social support and constraints. *Indian Journal of Industrial Relations*, 38(4), 425-443.

services due to low numeracy and literacy as well as limited knowledge of the complex and often lengthy processes of accessing formal credit.<sup>35</sup>

This finding also reflects the dependence of firms on informal credit sources such as moneylenders, family and friends. Over 79 per cent of women-led entrepreneurs source their own capital, according to the 6th Indian Economic Census – 58 per cent of whom are in the prime working age group of 20-30 years.

This unaddressed demand for finance often means that enterprises remain small in terms of turnover and profit. In a report released by EdelGive Foundation, it was reported that although more than 90 per cent of women entrepreneurs surveyed were making profit, the profits were quite low as about one-third of these entrepreneurs were earning up to INR 500 per month and more than half were not able to earn even INR 100 per day.<sup>36</sup>

Additionally, financial institutions may not always consider the unique needs of women entrepreneurs. Irrespective of whether women are more risk-averse in practice, empirical evidence observes that they are perceived as such by financial advisers when they prepare credit offers.<sup>37</sup> This, coupled with social norms that result in most of the property and family assets titles being under the name of male household members, implies that women entrepreneurs are not able to furnish collateral for loans.<sup>38</sup> Even when all other observable criteria are identical to male-led businesses, women are 30 per cent more likely to need a guarantor.

Many government interventions targeted towards women entrepreneurs are delivered through Self Help Groups (SHGs) - which are groups of 8 -10 women mobilised under the National Rural Livelihoods Mission. As part of this flagship programme, SHGs are provided access to formal

credit for business activities and business training. With that said, an insignificant portion of microfinance borrowers actually develop into transformational entrepreneurs as 'access to credit' alone is not a magic bullet to transform subsistence businesses into thriving businesses.<sup>39</sup> Moreover, currently such programmes are primarily concentrated in rural areas and a similar mobilisation effort is required for urban and peri-urban areas.

## Access to Markets

Women-led enterprises are often home-based, and further away from the main markets and economic hubs. This distance from markets can impact business outcomes for women in multiple ways.<sup>40</sup>

Firstly, women entrepreneurs suffer from limited access to sourcing which can restrict their ability to purchase from the right supplier at the right price, in turn affecting their production capacity, and the pipeline of production activities. Without regular interaction with their suppliers, women entrepreneurs may not be able to gauge prices, customer demand, product performance, branding requirements as well as the required quality standards. These barriers are even more exacerbated for new market entrants in comparison to established businesses.

In addition to the limited access to information, women's ability to physically access markets is also restricted by inhibiting social norms, and existing mobility constraints. Female business owners may not always be able to travel without the company of a male companion, or due to the fear of their own safety. Furthermore, for the majority of small-scale businesses operated by women, they may not be able to benefit from economies of scale owing to volume purchases from suppliers in the markets.

<sup>33</sup> World Bank and World Trade Organization. 2020. Women and Trade: The Role of Trade in Promoting Gender Equality. Washington, DC: World Bank. doi:10.1596/978-1-4648-1541-6. License: Creative Commons Attribution CC BY 3.0 IGO

<sup>34</sup> S. Nandy and S. Kumar, Women Entrepreneurship in 21st Century India, Global Journal of Finance and Management, 6 (9), 2014, 967-976.

<sup>35</sup> IFC, Opportunities and constraints of women owned very small enterprises in India, 2022

<sup>36</sup> Edelgive Foundation, A Landscape Study on Women Entrepreneurship: Its Challenges and Impact on Health, Socio-economic Security and Family Wellbeing Outcomes of Women Entrepreneurs, 202

<sup>37</sup> Nelson 2018

<sup>38</sup> Value for Women Report, refer to <https://v4w.org/resource>

<sup>39</sup> Banerjee et al., 2015a

<sup>40</sup> ISBN 978-92-64-02477-9 Promoting Pro-poor Growth Policy Guidance for Donors © OECD 2007

## Access to Networks and Role Models

Networks can be helpful to bridge the gender differences between entrepreneurship among men and women by boosting confidence, and providing timely access to information on opportunities from their social network through changing norms. Networking is also a key means of expanding the business, understanding competition and identifying new opportunities.<sup>41,42</sup> Unfortunately, the literature suggests that women in urban and peri-urban areas do not have the same access to professional and social networks as men to support growth and competitiveness in building businesses.<sup>43</sup>

One factor that inhibits women from scaling up their business is the lack of other female entrepreneurs in their vicinity. Women in urban areas, particularly from low-income segments, have fewer opportunities to connect, network and seek guidance from peers and mentors. This lack of social capital and access to professional networks such as alumni and investor clubs inhibits them setting up and running their enterprise. Analysis of gender-based ownership of firms observes that the male owners are more likely to find customers through conventional networks of contacts, whereas the women owners are forced to find other options.<sup>44</sup>

Shetty (2018)<sup>45</sup> observes that for self-employed women network effects have been strong. This may be either due to membership in self-help groups or previous attempts to practise group entrepreneurship. Moreover, women's community networks and kinship ties can play an important role in influencing entrepreneurial activity in rural areas.<sup>46</sup> In contrast, social networks in urban and peri-urban areas can be more fragmented.

According to Kumbhar (2012)<sup>47</sup> successful entrepreneurs are always considered role models in society for others. Many women have referred to other women entrepreneurs as inspiration for their own business and as peers whom they can relate to, be motivated by, and emulate (Markussen and Røed 2017).<sup>48</sup> This 'peer' or 'in-group' is understood differently in various cultures. For example, they can be the 'family only', or an amalgamation of family and near friends. This has been found to be categorically significant for boosting a woman's individual targets as an entrepreneur and assisting her business by supporting her access networks and resources (Bullough et al. 2017).<sup>49</sup>

## Access to Resources and Assets

Laws and practices governing the private sphere, specifically those regarding marriage, inheritance and land can hinder women's access to assets and resources. Legal and regulatory frameworks are particularly relevant, to overcome traditional notions of men being seen as heads of the household, and having absolute control of assets.<sup>50</sup> Establishing and running a business can often be capital intensive. With limited asset ownership, and restricted access to finance, women-led enterprises often witness high representation in low-growth, low-employment, non-technical sectors.

The gender gap in access to information and communication technology is another significant barrier to entrepreneurship. Data from round 5 of the National Family Health Survey (NFHS) suggests that only 51.8 per cent of adult women in urban India have ever used the internet.<sup>51</sup> The survey also indicated that only 69.4 per cent of women have a mobile phone that they use themselves.

<sup>41</sup> Saraf, N. (2015). What Determines Entrepreneurial Intention in India? *Journal of Entrepreneurship and Innovation in Emerging Economies*, 1(1), 39–55.

<sup>42</sup> Field, E., S. Jayachandran, and R. Pande (2010): Do Traditional Institutions Constrain Female Entrepreneurship? A Field Experiment on Business Training in India," *American Economic Review*, 100, 125{129. Field, E., S. Jayachandran, R. Pande, and N. Rigol (2016): Friendship at Work: Can Peer effects Catalyze Female Entrepreneurship?" *American Economic Journal: Economic Policy*, 8, 125{153.

<sup>43</sup> Drori, I., Manos, R., Santareu-Vasut, E., Shenkar, O., & Shoham, A. (2018). Language and market inclusivity for women entrepreneurship: The case of microfinance. *Journal of Business Venturing*, 33, 395–415.

<sup>44</sup> [https://www.wto.org/english/res\\_e/booksp\\_e/women\\_trade\\_pub2807\\_e.pdf](https://www.wto.org/english/res_e/booksp_e/women_trade_pub2807_e.pdf)

<sup>45</sup> Microsoft Word - SYPA draft v2.docx (harvard.edu)

<sup>46</sup> Viswanath Venkatesh, Jason D. Shaw, Tracy Ann Sykes, Samuel Fosso Wamba, and Mary Macharia, 2017: Networks, Technology, and Entrepreneurship: A Field Quasi-experiment among Women in Rural India. *AMJ*, 60, 1709–1740, <https://doi.org/10.5465/amj.2015.0849>

<sup>47</sup> [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2043821](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2043821)

<sup>48</sup> <https://doi.org/10.1016/j.jebo.2016.12.013>

<sup>49</sup> <https://doi.org/10.1177/0149206314561302>

<sup>50</sup> <https://www.worldbank.org/en/topic/gender/publication/female-entrepreneurship-resource-point-introduction-and-module-1-why-gender-matters>



A 2021 study by EdelGive Foundation across 13 major states in India notes that by 2026 self-owned businesses by women entrepreneurs are expected to grow up to 90 per cent.<sup>52</sup> However, the study also notes that the uptake of government schemes assisting these women entrepreneurs is quite low.

These barriers have implications for women's access to essential information about policy schemes, benefits and integration with markets and supply chains as well. Thus, uneven access to digital tools and skill gaps pose a disadvantage for women entrepreneurs, particularly from low-income and socially vulnerable segments.

### Safety in Work and Public Spaces

Women entrepreneurs' physiological and psychological safety not only affects their ability to access work opportunities but also their perceived risk acceptance. Gender-blind urban planning, limited safe transportation services, and gendered workplace settings can be a deterrent in women's pursuit of entrepreneurial opportunities. For example, women entrepreneurs might often have to restrict their work hours or work-related travel due to the perceived safety risks for themselves and their staff.

Moreover, this perception of risk to personal safety and the safety of female employees further perpetuates binding social norms that restrict women's mobility and financial autonomy.

### Barriers Faced by Aspiring Entrepreneurs and Women-led Enterprises in Urban and Peri-urban Areas

#### *Social and Cultural Norms, and Biases*

- Prioritisation of household work (e.g., caregiving, household chores)
- Double burden of managing enterprise-related work and household responsibilities

- Economic gains from business channelled to male members' business or used for household financial requirement
- Occupational segregation - women undertaking traditional roles in traditional businesses
- Perceived as low risk-taking business owners

#### *Entrepreneurial Mindset and Individual Attributes*

- Low self-efficacy reflected in choice of business, scale and risk appetite
- Limited agency affecting women entrepreneurs' ability to take business decisions
- Lack of educational opportunities and technical know-how resulting in low business acumen
- Inadequate soft skill training (e.g., to conduct negotiations, build customer rapport, time management)

#### *Access to Credit*

- Lack of collateral and assets hindering access to enterprise finance, and lack of documentation on enterprise
- Inadequate knowledge about financial products coupled with low literacy and numeracy skills
- Small ticket sizes of loans
- Gender-blind products, services and regulations (e.g., collateral and guarantor requirements, inflexible payment formats)

#### *Access to Markets*

- Longer distances to main markets and economic hubs
- Limited information on suppliers, customers demand, and product pricing due to restricted social and professional networks
- Mobility constraints that restrict their ability to physically access markets for sourcing or sale

### *Access to Networks and Role Models*

- Limited peer network restricting access to business information
- Limited role models in a woman entrepreneur's vicinity, resulting in a lack of experience sharing and guidance
- Restricted access to formal networks further exacerbated by spatial isolation

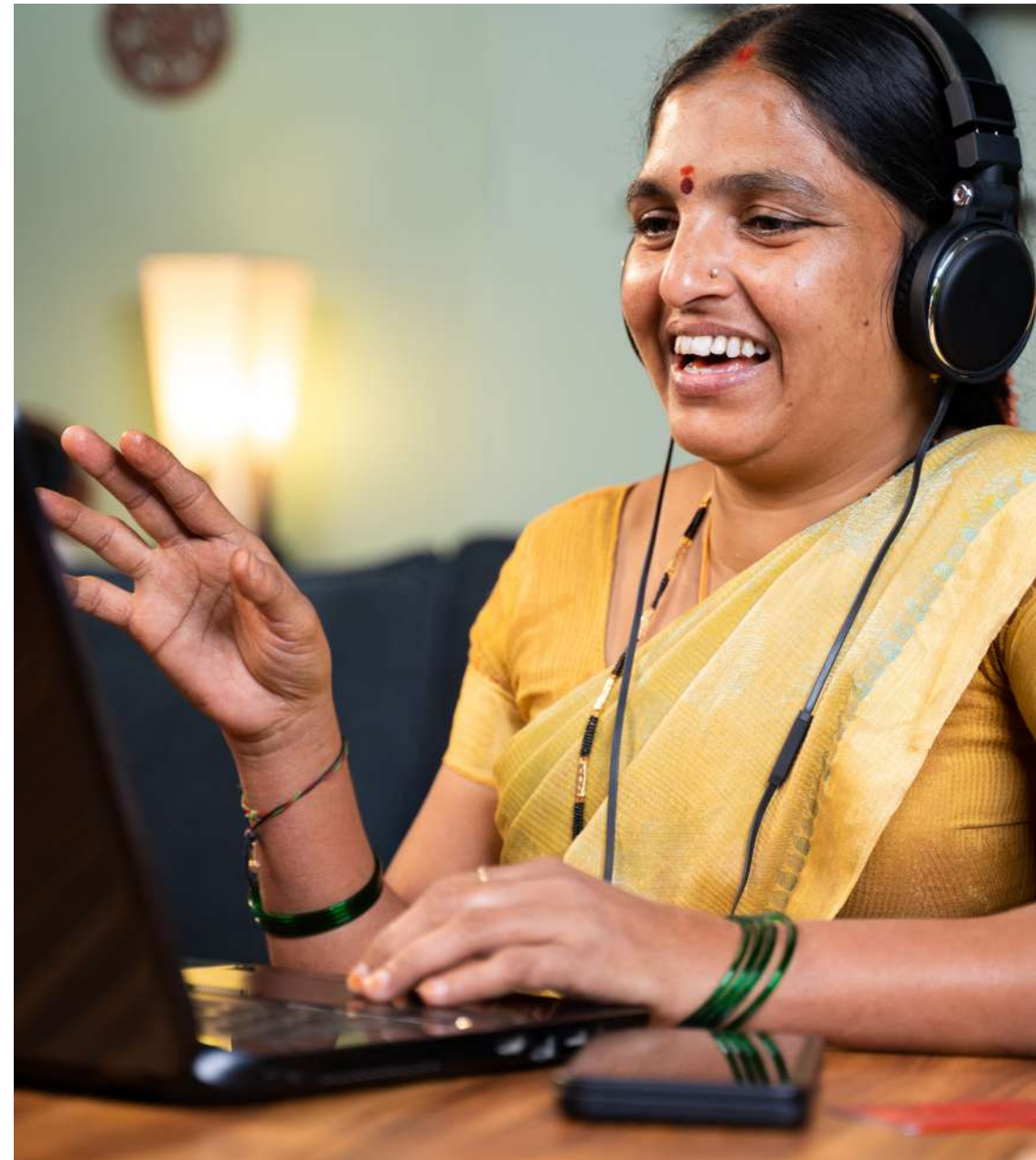
### *Access to Resources and Assets*

- Unfavourable property rights for women
- Limited formal ownership of business and asset ownership

### *Safety at Work and in Public Spaces*

- Inadequate gender lens in planning urban, peri-urban and rural spaces (e.g., lighting, transport routes, access to public amenities)
- Gender norms and perceptions of risk affecting psychological safety, mobility and choice of entrepreneurial ventures (e.g., restrictive hours, locations, business sectors)

Source: Author's summarisation of literature



## 4

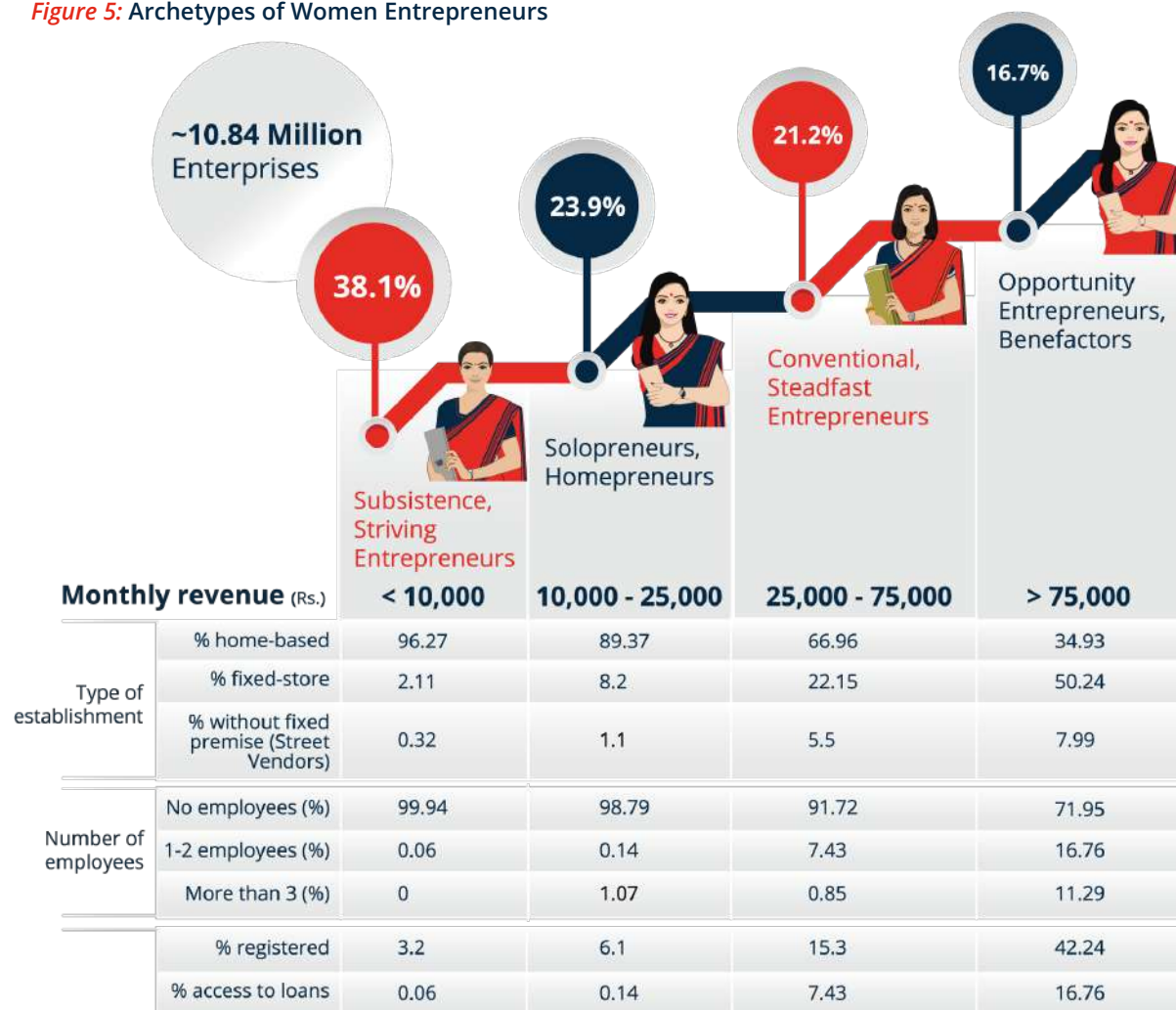
# Mapping Archetypes of Women Entrepreneurs

Based on the literature review, analysis of nationally representative data sets, and in-depth interviews with experts from the ecosystem, we see the following archetypes of women entrepreneurs plying businesses in urban and peri-urban areas:

- (i) Subsistence/Striving Entrepreneurs
- (ii) Solopreneur/Homepreneurs
- (iii) Conventional/Steadfast Entrepreneurs, and
- (iv) Opportunity Entrepreneurs/Benefactors

These archetypes broadly represent the breadth of entrepreneurs with varying motivations, behaviours, needs, experiences and aspirations. They include female urban and peri-urban nano and microenterprises, home-based and own-account enterprises, and growth-oriented enterprises. Cumulatively, the four segments represent approximately 10.84 million urban and peri-urban enterprises. The skilled and steadfast entrepreneur categories together account for 62 per cent of enterprises. While the employment generated by these enterprises is low, they provide women from low-income and socio-economically weaker segments a pathway to engage in income generating activities and flexible working arrangements.

Figure 5: Archetypes of Women Entrepreneurs



Source: NSS 73rd Round

**Table 1: Urban Women Entrepreneurs Archetypes of Women Entrepreneurs**

Variables	Striving, Subsistence, Entrepreneurs	Solopreneur, Homepreneur	Conventional, Steadfast Entrepreneurs	Opportunity Entrepreneurs, Benefactors
Median Revenue (monthly)	Rs. 5,125	Rs. 15,000	Rs. 34,700	Rs. 164,760
Median Profit (monthly)	Rs. 4,300	Rs. 11,744	Rs. 27,490	Rs. 98,100
<b>Years in business (median)</b>				
	6	7	7	6
<b>Location of establishment</b>				
Metro (%)	15.93	26.19	37.98	33.04
Non-Metro (%)	84.07	73.81	62.02	66.96
<b>Access to credit</b>				
% with loans	1.72	3.18	7.44	18.23
Median loan amount (Rs.)	Rs. 16,160	Rs. 24,000	Rs. 20,600	Rs. 58,900
<b>Registration status</b>				
Registered enterprise (% yes)	3.2	6.09	15.27	42.24
<b>Assistance received</b>				
Received government assistance (%)	0.17	0.44	0.9	0.92

Source: NSS 73rd Round (conducted between July 2015- June 2016)

The analysis presented in this section focuses on the first three archetypes, with median monthly revenue less than Rs. 75,000, given the broader focus of this initiative on enabling women entrepreneurs from low-income/socio-economically disadvantaged sections.



### Striving/Subsistence Entrepreneurs

The Striving/Subsistence entrepreneurs account for 38.1 per cent of women-led enterprises in urban areas. They are primarily motivated by the need to contribute to household income, and predominantly operate from home given their need for flexibility to balance care responsibilities, and other constraints. Their activity is concentrated in manufacturing of wearing apparel and textiles, and education.

### Solopreneur/Homepreneurs

The next archetype, Solopreneurs/Homepreneurs, account for nearly 24 per cent of women-led enterprises in urban areas. With a median monthly revenue in the range of Rs. 10,000 - 25,000, these entrepreneurs are motivated by a desire to contribute to household income as well gain economic independence. They also predominantly operate from home given the need for flexibility to balance care responsibilities, lack of access to collateral and mobility constraints.

### Conventional/Steadfast Entrepreneurs

The Conventional/Steadfast entrepreneurs have a steady business revenue in the range of Rs. 25,000 - 75,000 per month and account for 21.2 per cent of urban enterprises. 8.3 per cent have employees. 22 per cent of these enterprises operate out of a fixed establishment, and 15.3 per cent have a formal registration. Together these metrics signal a high level of business readiness and potential for graduating to the next stage, if they are able to secure tailored credit and market access. These enterprises are primarily engaged in the manufacture of wearing apparel, retail trade such as non-specialised stores (a higher proportion is engaged in retail trade compared to the Striving/Subsistence entrepreneurs and Solo/Homepreneurs); and other social and personal activities such as hairdressing and beauty treatments, pet care services, and household maintenance, among others.

### Overall

- Across the board, a minuscule proportion of entrepreneurs reported receiving government assistance and there is potential to improve access to information and enable take-up of these benefits on a larger scale.
- While there are variations in access to loans across categories, the loan sizes for the Striving/Subsistence, Solo/Homepreneur and Conventional/Steadfast archetypes (i.e. those earning less than Rs. 75,000 in monthly revenue) do not show significant variation. This also signals a credit gap for the Rs. 25,000 - 75,000 segment.
- Entrepreneurial activity across segments is concentrated in non-metro cities/regions.
- There is a very limited growth transition dynamic, with the majority of women clustered at the lower end of the segment.
- Further, a majority of women enterprises are home-based, and thus remain invisible from the perspective of policymaking and programming.

## 5

## Mapping Problem Statements to Inform Collaborative Solutioning Efforts

The challenges faced by women entrepreneurs can be located within the prevailing gender norms which impose structural and normative constraints on their businesses. The literature review outlined in the previous section has identified multiple such challenges. While several of these challenges are universal, there is some variation **depending on the entrepreneur's socio-economic background, and journey** - from aspiration to ideation, business establishment, and scale-up.



Figure 6: Key Problem Statements to Inform Collaborative Solutioning Efforts



## Encouraging Entrepreneurship Individual and social factors

- 1 Low confidence in capabilities or translating skills into a business (lack ability to see skill as a viable product or proposition e.g. baking)
- 2 Patriarchal, normative barriers that restrict women's participation in entrepreneurship
- 3 Lack of agency to take decisions about self/business
- 4 Lack of support for HH/care responsibilities (limited mobility, childcare options)



## Enhancing Business Acumen and Optimising Business Outcomes

### Access to information, skills, assets and markets

- 5 Lack of information about relevant schemes, programs and their requirements (e.g. sector and state specific subsidies, programs)
- 6 Limited access to timely, appropriate formal financial products (low seed capital, and access to working and growth capital, lack of collateral)
- 7 Poor integration with goods/service markets (e.g. high input costs, lack of access to raw materials/supplier networks)
- 8 Weak technical, business management, financial skills coupled with digital divide (e.g. upgrading technical knowledge; understanding business models, unit costs; contingency planning; quality control at scale)



## Enabling Environment Macro, policy factors

- 9 Restrictive and complex regulations/procedures that are barriers for registration (e.g. understanding and complying with labour laws, safety regulations, GST registration and compliances, IP registration)
- 10 Few networking and mentorship opportunities (limited geographic outreach of incubators, lack of role models and mentors from peer and community networks)

## Problem Statement Prioritisation

As part of this study, we identified 10 key problem statements for catalysing women's entrepreneurship in urban and peri-urban areas based on an extensive literature review, consultations with the AVPN team, and stakeholder interviews. While it is essential to tackle these challenges collectively, there is also a need to prioritise challenges that can be addressed through collaborative philanthropy and create impact at scale. In this context, a problem prioritisation matrix can help identify the most important problems using a structured approach and build collaborative consensus on the way forward.

In the table below, we plot the 10 problem statements on a RICE matrix using four criteria - Reach, Impact, Confidence and Effort. Corresponding to each criterion, the 10 problem statements are categorised as Low, Medium, or High. The RICE scoring model is a prioritisation framework designed to help prepare roadmaps for solutions by scoring these items according to four factors.

### We define each criterion as follows:

- **REACH:** Reach pertains to the problem statement's sphere of influence. How widespread is the problem? Does it affect one or more archetypes? High corresponds to the problem statement affecting multiple archetypes. Low represents a niche problem that affects one segment.
- **IMPACT:** Impact refers to the scale dimension. Of the total pool of entrepreneurs affected by the problem statement, how many enterprises will be directly benefited by addressing this barrier? Does the problem only affect new entrants or higher-growth businesses?
- **CONFIDENCE:** Confidence represents the ecosystem's ability to tackle this problem as well as its tractability. Is the problem statement

well understood and defined? Applying the Overseas Development Institute's (ODI) framework<sup>53</sup> to understand tame versus wicked problems in development, a wicked problem is one which is hard to clearly and linearly define and there is no single criterion for identifying solutions. The complexity of the problem may also be influenced by relationships among actors or elements of a system and how these affect behaviours and incentives. Since these problems involve multiple stakeholder segments, they may be multicausal and interconnected, straddling disciplinary boundaries, and as a result, the solutions may be highly context-specific.

- **EFFORT:** Effort corresponds to the 'path of least resistance' - are all key stakeholder agendas well-aligned? What is the feasibility of solving this problem efficiently, given the resources, and expertise available in the ecosystem? High in this case implies higher feasibility of addressing the problem, whereas Low implies low feasibility.



**Table 2: Problem Statement Prioritisation Matrix**

Urban Women Entrepreneurs - Archetypes and Characteristics					
Problem statement	Relevant persona segments	Reach	Impact	Confidence	Effort
		REACH pertains to the sphere of influence. How widespread is the problem? Does it affect one or more persona segments? (a niche problem that affects one segment only may generate lower interest from the network)	IMPACT is the “scale” dimension: How many enterprises will be directly benefited by addressing this barrier? (new entrants, access to better services, higher-growth businesses)	CONFIDENCE is the ecosystem’s belief in its ability to tackle this problem.	EFFORT corresponds to 'path of least resistance' - are all key stakeholder agendas well-aligned?
		What is the magnitude of the problem?	How many women entrepreneurs will benefit from solving it?	What is the certainty of finding solutions to this problem in the next 3-5 years?	What is the feasibility of solving this problem efficiently, given the resources, and expertise available in the ecosystem?
Low confidence in translating capabilities into a sustainable business	Striving/Subsistence, Solo/ Homepreneur	High	Medium	Medium	Low
Highly patriarchal normative barriers around women’s workforce participation	Striving/Subsistence, Solo/ Homepreneur	High	High	Low	Low
Lack of agency to take decisions about self/ business	Striving/Subsistence, Solo/ Homepreneur	Medium	Medium	Low	Low
Lack of support for HH/ care responsibilities and hence limited mobility and time (nuclear families - limited childcare options; affordability of childcare, HH care)	Striving/Subsistence, Solo/Homepreneur Convenient/Steadfast	High	High	Medium	Medium
Lack of information about relevant opportunities, schemes and their requirements	Striving/Subsistence, Solo/Homepreneur Convenient/Steadfast	High	High	High	High

**Table 2: Problem Statement Prioritisation Matrix<sup>54</sup>**

Limited access to timely, appropriate formal financial products	Striving/Subsistence, Solo/Homepreneur Convenient/Steadfast	High	High	High	High
Poor integration with goods/service markets	Striving/Subsistence, Solo/Homepreneur Convenient/Steadfast	High	High	High	High
Weak technical, business management and financial skills	Solo/Homepreneur, Convenient/Steadfast	Medium	Medium	Medium	Medium
Restrictive regulations and complex procedures that are barriers for registration	Striving/Subsistence, Solo/Homepreneur Convenient/Steadfast	High	Medium	Low	Low
Few opportunities to connect and network with peers and mentors, lack of role models	Striving/Subsistence, Solo/Homepreneur Convenient/Steadfast	High	High	High	High

Problem statements for which solutions exist or have been tested and can be targeted toward individual entrepreneurs have a high priority in this case. In contrast, problem statements that require multiple levels of intervention and address structural barriers such as sticky social norms rank high on the priority scale but low on the feasibility scale.

Based on the RICE matrix, the following four problems emerge as **high priority in terms of potential impact on the three archetype segments and have a high feasibility of solving<sup>55</sup>**:

- Limited access to timely, appropriate formal financial products tailored to business needs

- Few opportunities to connect and network with peers and mentors, and lack of role models in the community, which are exacerbated by mobility constraints
- Lack of information about relevant schemes, programs and their requirements (e.g. sector and state-specific subsidies, programs)
- Poor integration with goods/service markets (e.g. high input costs, lack of access to raw materials/supplier networks)

<sup>54</sup> Darker shades reflect high-priority problem statements based on the criteria (Reach, Impact, Confidence and Effort), and their definitions, detailed earlier in this section.

<sup>55</sup> The rankings were done based on a review of the literature and validated through stakeholder consultations and discussions with the project team.

## 6

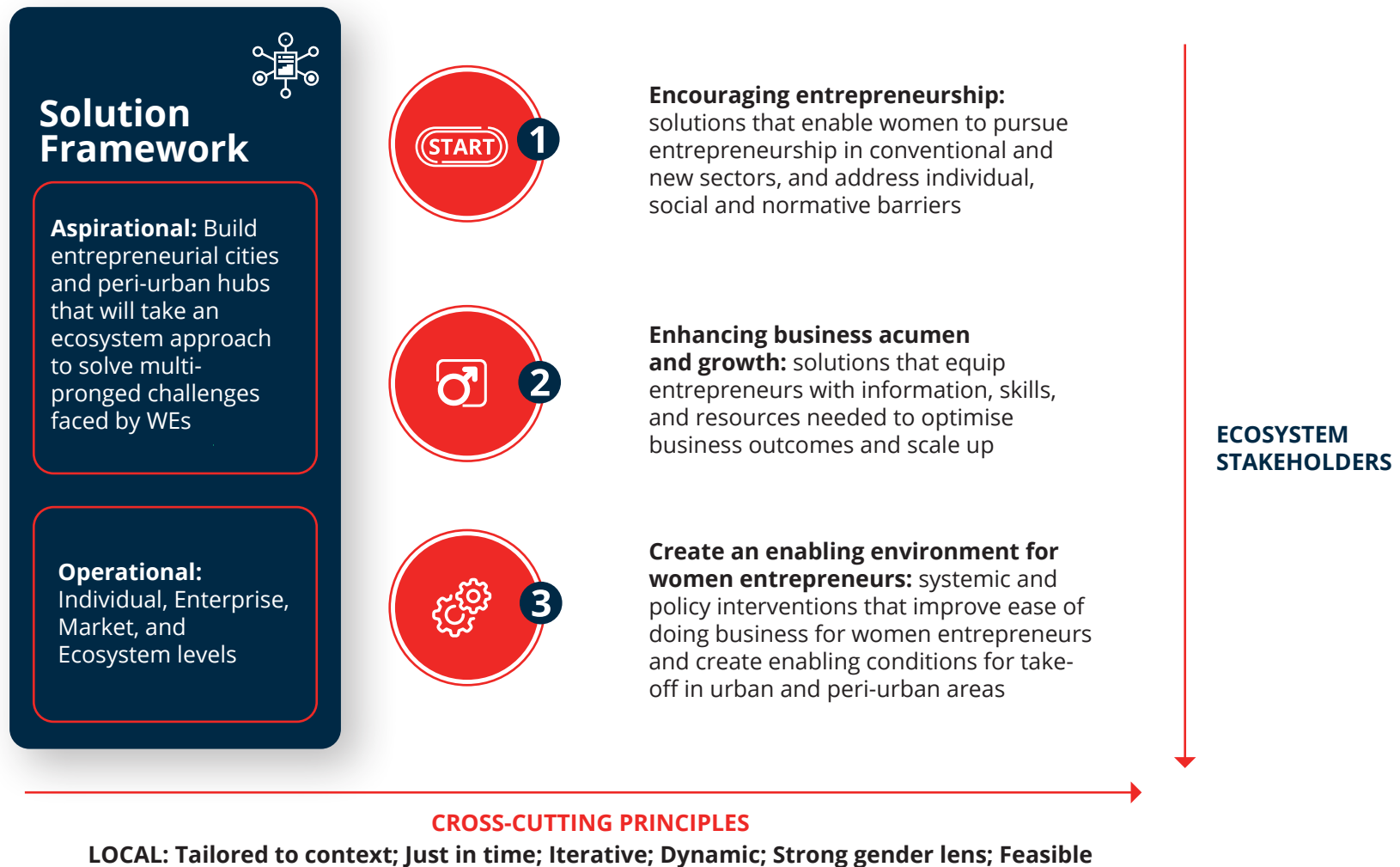
## What are the Solutions Available in the Ecosystem?

This section presents a snapshot of emerging evidence on what works to address the 10 problem statements identified above and highlights some of the promising solutions available in the ecosystem. The examples are drawn from the literature review and interviews with experts, representatives from donors, philanthropic foundations, VCs, incubators, aggregators, financial institutions and marketplaces. The list of solutions is not exhaustive and is intended to illustrate existing approaches and solution suites.

The solution framework is anchored around three pillars: solutions that encourage entrepreneurship by addressing individual barriers and socio-cultural constraints; solutions that enable enterprises to grow by addressing market, information and skill constraints; and thirdly, at the ecosystem level, solutions that create a more enabling environment for women entrepreneurs.



Figure 7: solution framework





## Pillar: 1 Encouraging Entrepreneurship

1.1 **Establish forums** to recognise achievements of women entrepreneurs at the regional and local levels and collaborate with outreach partners that have a strong grassroots presence in urban and peri-urban areas to solicit broad-based nominations. Build positive narratives around women's empowerment and contributions to society through popular media and community-level impact through change agents (e.g., youth).

1.2 **Connect entrepreneurs with role models** from their communities and sectors to motivate working age women and encourage entrepreneurial activity.



### WHAT THE EVIDENCE SAYS

Access to role models has shown encouraging results in increasing the likelihood of women to cross over to male-dominated sectors and grow their businesses.

(Source: We-Fi Evidence Paper, July 2022)

1.3 Leverage the power of groups by bringing together women entrepreneurs to form collectives/associations where women entrepreneurs can get inspired by leaders/role models in the groups and use collective strength to kickstart businesses.

1.4 Collaborate with policymakers and industry bodies to provide access to affordable care services and common creche facilities in the proximity of business clusters and co-working spaces.

1.5 Integrate family members into training and awareness programmes to build buy-in from kin and enhance women's participation in these programmes.



### SPOTLIGHT SOLUTIONS

- The Vasundhara NE Woman Entrepreneur award aims to recognise women entrepreneurs from the eight states of north-east.
- Women Entrepreneurs Forum has instituted the Emerging Woman Entrepreneur Awards to recognize the achievements of entrepreneurs who have successfully started and are running an innovative, for-profit business for at least 2-3 years. The awardees are chosen by a jury from nominations received and evaluated based on stringent criteria.
- Private firm Brand Avatar has launched 'homepreneur' awards to recognise female entrepreneurs earning through home-based enterprise setups. Entrepreneurs from agriculture, healthcare, home retail, arts & culture, sports & fitness, food & beverage, digital homepreneur, and beauty & wealth are eligible to apply for the awards. The initiative is supported by ecosystem partners such as TiE, FICCI flo and Startup Tamil Nadu.
- National initiatives include the Ministry of Electronics and Information Technology - NASSCOM Startup Women Entrepreneur Award 2020-21 for Software Products supported by UN Women, special national award for MSMEs run by a woman by Ministry of MSME, Women Transforming India awards by Niti Aayog, and Express Awards for Women Entrepreneurs by Indian Express (ExpressAWE).





### WHAT THE EVIDENCE SAYS

Emerging evidence suggests that peer support, access to social networks and integrating spouses/family members in training can influence women's entrepreneurship activities positively. While there is strong evidence to suggest that government or employer-supported childcare programs may have a positive impact on women's employment, more research is needed in the area of entrepreneurship.

(Source: We-Fi Evidence Paper, July 2022)



### SPOTLIGHT SOLUTIONS

- We Hub Government of Telangana, a state-run incubator, engages family members of entrepreneurs in training programs to increase their awareness and build buy-in from spouses and other members.
- Under the Sangini co-operative model, SEWA operates 13 childcare centres in Gujarat, which provide education and nutrition services for children and have a positive impact on women's income.
- Monkey Business in Gurgaon is a co-working and play space that provides onsite childcare services and facilities such as a play area and nap room for kids, considering the requirements of young parents.



## Pillar: 2 Enhancing Business Acumen and Growth

2.1 Training providers should focus on delivering **customised training modules** through multiple channels (e.g., videos in multiple languages, simulators) and touchpoints, using an assisted approach.

2.2 Delivery channels for training must cater to entrepreneur's time constraints and priorities - by offering **'just-in-time'/on demand content** and courses that are easily accessible.

2.3 Adopt a **cohort-based approach** to training, such as including entrepreneurs with similar socio-economic characteristics to facilitate group affinity and create support forums for entrepreneurs.

2.4 Enable access to user-friendly, **digital tools** like **digital bookkeeping**, debtors record keeping and inventory management, in vernacular languages.



**WHAT THE  
EVIDENCE  
SAYS**

Training programs that include gender-specific content have a positive impact on women's business performance.

Innovative delivery mechanisms of training programs (e.g., wraparound services like childcare services, peer and spousal support, and transportation) help make programmes more accessible.

Integrating mentoring services, networking or socioemotional skills training along with business training shows promising results in increasing business performance.

(Source: We-Fi Evidence Paper, July 2022)



### SPOTLIGHT SOLUTIONS

- LEAD at Krea University along with Innovations for Poverty Action have tested a rules-of-thumb based training which focuses on delivering simple financial heuristics instead of in-depth information about financial concepts through IVRS, which can be more effective at improving financial behaviours and business outcomes of entrepreneurs.
- Udhyan Learning Foundation's Vyapaar program focuses on business capability training and enhancing entrepreneurial mindsets, and regular follow-ups by trainers help entrepreneurs apply lessons in practice.
- Etsy, a global e-commerce platform, supports women-owned businesses in starting up and increasing sales by providing them with online resources, including regulatory information, training videos, and webinars.
- MyBillBook and Khatabook provide easy-to-use billing and accounting softwares that are tailor-made for small businesses in India.
- The Haqdarshak MSME Platform provides information on schemes and entitlement access to help grow MSMEs.

2.5 To improve access to credit, financial service providers can use **alternative credit scoring to cut underwriting costs and tailor financial offerings** (e.g., trading history, cash flow analysis, household income, and behavioural data) for striving, solo and steadfast entrepreneurs can be used to tailor financial products and repayment terms. While these entrepreneurs have availed loans, the ticket sizes are not adequate to cater to their business requirements.

2.6 **Sensitise investors towards biases**, and build the capacity of women entrepreneurs to **pitch business ideas** can unlock access to capital for entrepreneurs operating over a certain turnover threshold.

2.7 Financial institutions must improve gender diversity among financial intermediaries such as loan officers, as they interface with entrepreneurs and play a crucial role in understanding borrowers' requirements.



#### WHAT THE EVIDENCE SAYS

Tailored financial products and services (e.g., cash flow-based lending) are more effective in enhancing access to finance for women entrepreneurs in developing countries.

Standalone access to finance or training may be less effective in supporting women-led SMEs as compared to a combination of interventions.

Enhancing gender diversity among financial intermediaries and gender intelligence training (i.e., more female investors, fund managers, and loan officers) works to improve the flow of funds to women-led MSMEs.

(Source: We-Fi Evidence Paper, July 2022)



#### SPOTLIGHT SOLUTIONS

- Kaleidofin's kiscore tool helps credit analytics for lenders by using **cash-flow based predictions** and enabling **personalisation** of products.
- Kinara Capital's *HerVikas* programme provides **collateral-free loan** for women entrepreneurs to financing working capital requirements and **asset purchases**; fintechs such as LendingKart, Indifi and Eko are also providing collateral-free loans.
- Using a learning lab approach, MIT D-lab and Upaya venture's scale-up accelerator program focuses on building women's technical knowledge and **skills for fundraising and investment readiness** through a unique simulator approach.

2.8 Implementation organisations must deliver a **comprehensive package of 'finance' + 'value-added services'** that can help improve entrepreneurs' loan utilisation and enhance business growth.

2.9 To enable market access, **combine digital tools with outreach** by last-mile channel partners to help entrepreneurs sell in physical and digital marketplaces.

2.10 Intermediary organisations can provide **handholding support** to entrepreneurs with onboarding to digital platforms such as e-commerce applications, and ensure that content is available in vernacular languages.

2.11 Provide quality control support to ensure that goods meet domestic and international standards, and facilitate B2B procurement matching.

2.12 Provide support services such as **advisory about market trends**, fair prices, and digitising inventory, which can in turn enable access to finance.

2.13 Promote **gender-inclusive sourcing** by simplifying supplier onboarding processes and requirements, and enabling financing to bid for larger procurement contracts.



**WHAT THE  
EVIDENCE  
SAYS**

For interventions that target market access, the existing evidence is consistently positive. However, the research is mainly drawn from industry reports and not academic research.

(Source: We-Fi Evidence Paper, July 2022)



**SPOTLIGHT SOLUTIONS**

- Lal10's *Karigar* business application for textile and craft-based manufacturers helps them create an **online wholesale shop**, sell products in bulk to domestic and international buyers, receive inquiries from around the world on your products, tips on business, design, and production.
- Frontier Markets provides **last-mile market access** by connecting entrepreneurs to their rural customer base.
- ILO's Improve Your Exhibiting Skills: A Training Guide (IYES) is a **guide for facilitators** to enhance women's capacity to access and participate in **trade fairs**, in part through the organization of trade fairs, as well as through women's participation in related events.
- Deshpande Foundation's Micro-entrepreneurship Development Program (MEDP) supports entrepreneurs with **market linkages through platforms like exhibitions**, public events, flea markets, and facilitate connections with vendors for **bulk procurement**.



## Pillar: 3 Enabling Environment

3.1 Advocate for **simplifying business registration and ease of doing business** at the ecosystem level through aggregator networks and collaborative platforms.

3.2 To enable **compliance and tax assistance**, provide handholding support for registrations such as Udhyam, GST, industry-specific licenses and certifications (e.g., FSSAI and export compliances).



### WHAT THE EVIDENCE SAYS

There is strong positive evidence on the correlation between less gender-biased laws and policies and women's employment and entrepreneurship.

(Source: We-Fi Evidence Paper, July 2022)



### SPOTLIGHT SOLUTIONS

- CAXpert develops user-friendly content which simplifies taxation and accounting topics. They have an **exclusive helpline** through which they provide resolutions for compliance and taxation related issues over one-on-one calls.
- deAsra's Udyog Mitra facilitation and shared **professional services** help entrepreneurs with compliances and essential information.



3.3 Replicate **incubation programs** and mentorship for women entrepreneurs in Tier-2 and Tier-3 cities and peri-urban geographies, through a cohort/regional chapter-based approach.

3.4 Identify **local mentors** and **peer support groups** of other entrepreneurs through outreach partners, to facilitate more in-person interaction which can have a positive spillover on **access to resources** and **tax advisory** services such as chartered accountants.



**WHAT THE  
EVIDENCE  
SAYS**

Emerging evidence suggests that mentorship has a positive effect on women's business performance, including profits and their ability to scale businesses and raise new investments. While there is limited direct evidence on the impact of accelerator and incubator programs, initial results from qualitative studies suggest that such programs may help women gain or improve business and digital skills and connect with investors and networks. Networks can have a positive effect on business performance. However, there is limited evidence specifically focused on women entrepreneurs which can help understand the types of networking tools and programmes which may work best.

(Source: We-Fi Evidence Paper, July 2022)



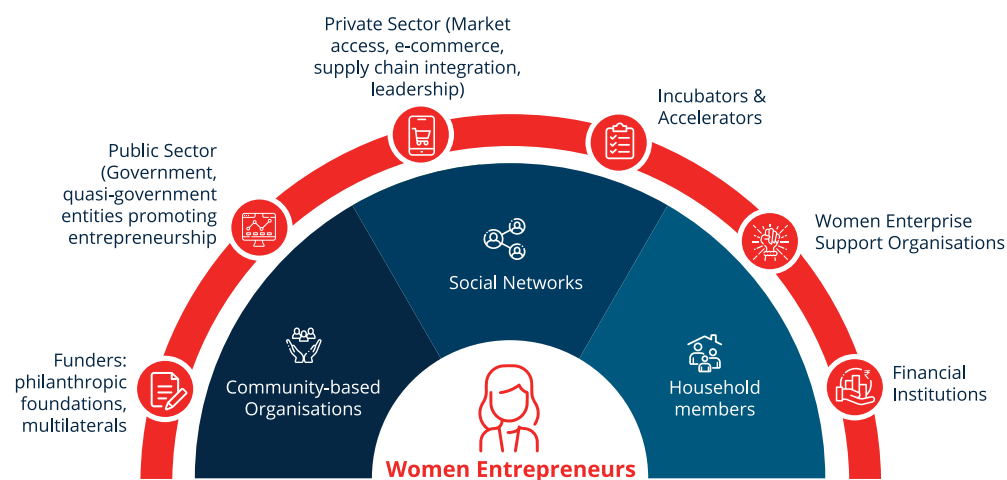
**SPOTLIGHT SOLUTIONS**

- FICCI and FICCI Ladies Organization (FLO) campaign 'Empowering the Greater 50 Per Cent' aims to support women entrepreneurs by enhancing their entrepreneurial and decision-making skills through engagements such as **mentorship programs**, training women to get elected to boards, and workplace inclusion.
- Banasthali Vidyapith's Atal Incubation Centre has a **women-centric pre-incubation, incubation and acceleration program** in technology and sciences.
- TiE Women hosts a global **pitch competition** for early and late stage startups founded or co-founded by women entrepreneurs.
- Women in Indian Social Entrepreneurship Network (**WISEN**) is a dedicated network for developing leadership and management skills for women social entrepreneurs, led by Amani Institute and the Aspen Network of Development Entrepreneurs (ANDE) with support from the U.S. Consulate General, Chennai. WISEN is growing to add new members, help members support each other and build a community of women social entrepreneurs across India.

## 6.1 Framework for Leveraging Collaborative Philanthropy

The ecosystem of women entrepreneurs consists of stakeholders ranging from the government, private sector players, to not-for-profit organisations and foundations. Currently, the women entrepreneurship ecosystem is frayed with challenges such as siloed problem-solving efforts by stakeholders, lack of an entrepreneurship development strategy for urban/peri-urban areas, lack of a long-term view of impact creation and inefficient utilisation of resources due to duplication of efforts. In order to address these barriers an integrated and collaborative approach involving the unique knowledge, skill sets and resources of all key stakeholders is essential.

**Figure 8: Womens Entrepreneurs Ecosystem**



Globally, there is increasing recognition of the strong business case for gender lens investing (GLI) - reiterating the need for investing in women

as entrepreneurs, employees, and customers. A 2019 study by the Wharton Social Impact Initiative found that there are 138 funds deploying capital with a gender lens, with around 14 per cent of funds having a South Asia focus. While GLI is gaining traction in India as well, few funds have an explicit focus on serving women entrepreneurs. AVPN has also been instrumental in promoting collaborative philanthropy to promote women's empowerment. The AVPN STEM fund is a Philanthropic Pooled Fund that supports efforts in eliminating structural barriers for women and girls for a brighter future through STEM education and professional development. The Gender Lens Investing Fellowship encourages funders and philanthropists to apply a gender lens to advance investment outcomes across sectors. There is a significant opportunity for impact investors to deploy blended financial solutions for providing seed capital to aspiring women entrepreneurs and investing in enterprises owned and run by women.

Despite compelling evidence on the business case, challenges such as unconscious biases in investment decision-making, low diversity in decision-making roles, and weak channels for deal sourcing, particularly for entrepreneurs from socio-economically vulnerable segments, can inhibit the adoption of gender-forward investing practices. Moreover, at a fund and even portfolio level, these efforts remain fragmented. Given the scale of the challenge, there is a need for coordinated funding and non-funding support in diverse areas that can create an impact at a scale commensurate with the challenge. Additionally, donors and philanthropists can leverage their convening power to tackle silos and offer the holistic support required to build a more enabling women's entrepreneurship ecosystem across diverse urban and peri-urban geographies in India.

There are several advantages of a collaborative philanthropic approach for enabling women's entrepreneurship development in urban/peri-urban spaces. Stakeholders bring different expertise and specialisation to the table. Market-based solutions need to have a strong use case,

“

“Collaborative philanthropy, also known as impact philanthropy, is defined as investors and non-profits working together towards a social cause.”

(Waterford)

They have also been defined as “entities that either pool or channel resources from multiple donors to nonprofits.”

(Bridgespan)

grounded in the insights garnered by NGOs/CBOs at the grassroots level. This ensures that multiple avenues of addressing problems are analysed and solutions are conceptualised and implemented by experts who have first-hand experience. A collaborative approach grounded in a strong investment thesis can ensure the convergence of philanthropic funding and non-funding efforts. Associations and aggregators focusing on women entrepreneurs are already playing a key role in advocating for policy and regulatory changes. Bringing other stakeholders such as donors, social sector organisations, fintech and e-commerce players along with government and allied agencies onto the same platform, will help kickstart a more inclusive dialogue.

For such a collaboration to be successful, it is imperative for partners to align on specific goals and impact levers for investing in women’s entrepreneurship development. The table below highlights different collaboration models in social impact. One way to approach a new collaborative is to structure it as an alliance with matching goals but individual investment decisions, and graduate towards a more comprehensive platform that pools together resources, ideas and solutions from all stakeholders.

**Table 3: Types of collaborative philanthropy models**

Types	NAME OF SECTOR	ACTIVITY
<b>"Ideal Match" Alliance</b>	Shared goals/ learning, individual investment decisions	National Coalition of CSOs, COVID-19 Action Collaborative (CAC) by Catalyst Group
<b>"Pool funded" Initiative</b>	Co-funding to implement one specific project/ solution	The India Climate Collaborative (ICC), Collaborators for Transforming Education
<b>"Invest together"</b>	To enhance capacities of organisations focusing on specific solutions	Dasra Adolescents Collaborative, Google & Tata Trust's Internet Saathi program (FREND)
<b>Dedicated entity/platform</b>	Setting up a separate entity to work on common issues with pooled funds	Co-impact, ACT grants, Gender Fund, Collaborative Fund for Women's Safety and Dignity,
<b>Add-on funding</b>	Funders adding additional funds to a preset agenda	ATECF raising additional funds to support delivery of food packages during COVID-19

The commitment levels, responsibilities and requirements from each stakeholder will be determined by how the collaborative platform is structured. And the functionalities of a collaborative platform will depend on the resource commitments that the stakeholders are willing to make as well as a number of other aspects such as the activities that they are looking to undertake, and the requirements in terms of time and resources (financial and otherwise), which will then feed into the format in which the member convenings can take place on the platforms constituted or as part of the alliance formed.

**Figure 9: Decision matrix to determine the ideal collaboration format**

Question	Activities	Requisites	Formats
<b>What primary activity is the consortium planning to undertake?</b>	Mobilising funds Implementation/ Monitoring	Shared goals/ skin in the game  Clarity of roles/ accountability  Leverage strengths	1. Networks  2. Coalition
	1. R&D  2. Knowledge sharing  3. Policy advocacy	1. Long term view  2. Demonstrate quantifiable impact	1. Working groups  2. Task forces  3. Knowledge exchange

Collaborative philanthropies can adopt different approaches and can also evolve from low resource intensive and nimble governance structures to long-term commitments. Having representation from women entrepreneurs and organisations that work with entrepreneurs

is crucial to bring their voices to the table. While there are obvious advantages to addressing an issue as a collaborative, there are certain pitfalls or limitations to be kept in mind. Collaboratives, if not structured appropriately at inception, can run the risk of diluting their mission or running into operational issues, and having a strong anchor partner with convening power can be critical for its success.

## 6.2 Making Collaborative Philanthropy Work for Women Entrepreneurs: What's Next?

Findings from this study suggest that there is significant scope to mobilise investments and non-financial support for catalysing women's entrepreneurship in urban and peri-urban parts of India. The archetypes presented in this report speak to the diversity of entrepreneurial ventures, socio-economic profiles and milieus that we find in urban and peri-urban areas of the country. As seen from the literature review, the Striving/Subsistence, Solo/Homepreneur and Conventional/Steadfast entrepreneur segments are underserved by entrepreneurship development and livelihood programmes, as a result of various socio-cultural, personal and environmental factors. The Striving/Subsistence entrepreneurs and Solo/Homepreneur entrepreneur categories are primarily motivated by the need to contribute to household income and gain economic independence. These enterprises predominantly operate from home, given their lack of access to collateral, mobility constraints, and need for flexibility. The conventional/steadfast entrepreneurs have a steady business income and a small proportion have employees. There is significant potential to help them graduate to the next stage, by enabling access to the right set of interventions and opportunities. Across the board, a minuscule proportion of entrepreneurs receive government assistance and there is potential to improve access to information and enable take-up of these benefits on a larger scale.

Unlike rural areas, urban and peri-urban areas currently lack robust community-based platforms for mobilising budding women entrepreneurs and providing financial support and other linkages to women-led enterprises. On the flip side, data shows that entrepreneurial activity across these segments is concentrated in non-metro cities/regions - collaborative philanthropy can help mobilise investments in programmes that focus on tier-2, tier-3 cities and other regional hubs.

## Opportunities for Collaborative Action

- **“Filling the gaps” - move capital towards underserved entrepreneur segments and geographies:** Women entrepreneurs face diverse problems and a more collaborative approach can help address high-priority problems for underserved segments (i.e. those with monthly revenue < Rs. 75,000) and geographies. This approach is critical to support gender-inclusive recovery from the COVID-19 pandemic as well. Furthermore, research has demonstrated that a well-rounded package of interventions can have a larger impact on advancing women’s entrepreneurial activity and business outcomes in comparison to focusing on just one intervention. By recognising the intersectional nature of these challenges and developing a robust impact thesis that enables cross-sectoral collaboration, there is an opportunity to break silos. A collaborative philanthropy model can pool in expertise from funders that have experiences in different geographies and sectors and deploy blended financing models including a combination of grants, debt, and equity, and restricted versus unrestricted funding.
- **Micro approach, macro impact:** Invest in programs that can mobilise women entrepreneurs at the community level while advocating for change at the regional and national levels. Through collaborative giving, it is possible to support a pan-India network of organisations and ecosystem partners that can mobilise aspiring entrepreneurs and

create communities of entrepreneurs that serve as a peer network and channel for delivering services.

- **Drive innovation by diversifying the risk of testing “what works” and adapting it to different contexts:** While there are various solutions available in the ecosystem to address credit gaps, skilling requirements, and other challenges, there is a lack of scalable models that can be adapted to cater to different entrepreneur archetypes. Pooling resources can help channel investments to solutions that may be high risk or to early-stage entrepreneurship development programs that have high potential for impact. This can accelerate the learning curve for donors and partners, and offer flexible and responsive capital to organisations working on the ground to test new ideas.
- **Invest in measurement tools and approaches needed to inform collaborative giving at scale:** Given the complexities that underpin the measurement of women’s entrepreneurial activity and the impact of entrepreneurship development initiatives, collaboratives can invest in longitudinal studies and robust data collection mechanisms to bridge data gaps and improve the sector’s understanding of how enterprises led by women are established, operated and scaled over time.

While there has been increasing emphasis from policymakers and the private sector on advancing women’s entrepreneurship among low-income and underserved segments, there is a need to look beyond short-term grants and programmes that tackle only one or more barriers. A review of the evidence on solutions and interventions suggests that there is significant room to further tailor them to the diverse entrepreneur archetypes, and identify pathways for scaling them. Collaborative philanthropy, rooted in a robust long-term investment thesis, can address some of these gaps by pooling funds and expertise from diverse partners through an ecosystem approach.



## # References

Bain & Company and Google. (2019). Powering The Economy With Her. Retrieved from [https://www.bain.com/contentassets/dd3604b612d84aa48a0b120f0b589532/report\\_powering\\_the\\_economy\\_with\\_her\\_-\\_women\\_entrepreneurship\\_in-india.pdf](https://www.bain.com/contentassets/dd3604b612d84aa48a0b120f0b589532/report_powering_the_economy_with_her_-_women_entrepreneurship_in-india.pdf)

Cromie, S. (1987). Motivations of Aspiring Male and Female Entrepreneurs. *Journal of Occupational Behaviour*, 8(3), 251-261. Retrieved March 26, 2021, from <http://www.jstor.org/stable/3000106>

Halabisky, D. (2017). Policy Brief on Women's Entrepreneurship. Organization for Economic Cooperation and Development (OECD). <http://www.oecd.org/cfe/smes/Policy-Brief-onWomen-s-Entrepreneurship.pdf>

Kirkwood, J. (2009), "Motivational factors in a push-pull theory of entrepreneurship", *Gender in Management*, Vol. 24 No. 5, pp. 346-364. <https://doi.org/10.1108/17542410910968805>

Kobeissi, N. Gender factors and female entrepreneurship: International evidence and policy implications. *J Int Entrep* 8, 1–35 (2010). <https://doi.org/10.1007/s10843-010-0045-y>

Levy, P., & Williams, J. (2004). The Social Context of Performance Appraisal: A Review and Framework for the Future. *Journal Of Management*, 30(6), 881-905. doi: 10.1016/j.jm.2004.06.005

Minniti, M. Female Entrepreneurship and Economic Activity. *Eur J Dev Res* 22, 294–312 (2010). <https://doi.org/10.1057/ejdr.2010.18>

National Sample Survey Office (NSSO), Ministry of Statistics and Programme Implementation.

Ruchi Tripathi and Vinay Pratap Singh, 2017. Women Entrepreneurship in Developing Countries. *International Journal of Management (IJM)*. Volume: 8, Issue: 4, Pages: 1-7.

Shah, H. (2013). Creating an Enabling Environment for Women's Entrepreneurship in India. [https://www.unescap.org/sites/default/files/ESCAP-SSWA-Development-Paper\\_1304\\_1.pdf](https://www.unescap.org/sites/default/files/ESCAP-SSWA-Development-Paper_1304_1.pdf)

Siegrist, F. (2022). Supporting Women Entrepreneurs in Developing Countries: What Works? A Review of the Evidence Base and We-Fi's Theory of Change. Retrieved July 15, 2022 from <https://we-fi.org/wp-content/uploads/2022/07/We-Fi-Evidence-Paper.pdf>

Smith, Daniel. (2010). The Role of Entrepreneurship in Economic Growth. *Undergraduate Economic Review*. 6.

Sunandha, K. (2015). Pull and Push Factors for Women Entrepreneurship in Thrissur District of Kerala. *Journal Of Krishi Vigyan*, 3(2s), 75. doi: 10.5958/2349-4433.2015.00041.0

The long spoon problem: five models of philanthropy, The Bridgespan Group. <https://www.bridgespan.org/insights/library/philanthropy/five-models-of-philanthropic-collaboration>

## Annexure: List of Key Stakeholders Consulted

Sr. No	Category	Name   Designation	Organisation	Description
1	Donor/Foundation	Chetna Sinha, Founder/Chair	Mann Deshi Foundation	In 1996, Mann Deshi bank was set up as the first rural bank for women in India to provide a safe space for women to save as well as gain affordable and easy access to credit. The Mann Deshi Foundation has since grown to supplement the bank by providing access to financial education, skills and a support network for rural women and their communities.
2	Network/Foundation	Sucharita Kamath, India Chapter Head	ANDE	The Aspen Network of Development Entrepreneurs (ANDE) is a global network of organisations that propel entrepreneurship in developing economies. ANDE members provide critical financial, educational, and business support services to small and growing businesses (SGBs) based on the conviction that SGBs will create jobs, stimulate long-term economic growth, and produce environmental and social benefits.
3	Market Linkages	Maneet Gohil, CEO	Lal10	Lal10 aggregates artisans and empowers them by providing them with technology, skills training, sustainable eco-friendly designs, and market linkages opportunities.
4	Financial Institution/Fintech	Vipul Sekhsaria, Co-founder and Chief Networks Officer	Kaleidofin	A fintech platform providing tailored, financial solutions for under-banked individuals and households.
5	Social Entrepreneur	Vijaya Switha, CEO	Chitrika Producer Company	An 'artisan-owned' brand of the producer companies promoted by Chitrika Foundation, an NGO based in Hyderabad, providing livelihood opportunities and skilling capabilities to artisans.
6	Entrepreneurship organisation	Sheenu Jhawar, Chair - Programs	TiE Rajasthan	Represent different sectors of the industry and are working towards a common goal of fostering entrepreneurship. TiE Rajasthan holds approx. 25-30 programs each year ranging from topics such as Startup Ecosystem, IT, HR, Finance & Taxation, Digital Social Media, and Women Entrepreneurship etc.

7	NGO/HR organization	Gayathri Vasudevan, CEO	LabourNet	Providing vocational end-to-end training to improve opportunities for individuals in India's informal workforce
8	Incubator	Aishani Pandey, Portfolio & Innovation	Social Alpha	Social Alpha architecture is built around a not-for-profit platform, Foundation for Innovation and Social Entrepreneurship (FISE) and operates through a nationwide network of technology and business incubation infrastructure,
9	Training/Capacity Building	Shehzia Lilani	Amani Institute	Global non-profit organisation. We develop individuals and organisations who lead social impact.
10	Donor/Foundation	Ullas Marar	GIZ	An international enterprise owned by the German Federal Government working with partners in India towards economic, ecological, and social development.
11	Incubator	Sruthi Kande and Vikranth Programme manager	WE Hub	WE HUB is the first-of-its-kind and only State-run platform for Women Entrepreneurs to start, scale and achieve global market access. They provide services like seed funding, mentoring, virtual programs (in case women can't travel), business guidance, Government liaison which will help women establish their own enterprise. Being a state led initiative, they offer our services at reasonable costs and in some cases no cost at all.
12	Enabler	Sanjana Govindan, Vice President Women Entrepreneurship	GAME	GAME aims to create a thriving environment for Mass Entrepreneurship (ME) in India, resulting in large-scale job creation.
13	Incubator	Kalyani Krishna, Senior Analyst	Villgro	India's oldest social enterprise incubators providing funding, mentorship, to early-stage innovation-based social enterprises.
14	Donor/Foundation	Leena Datwani, Financial Sector Specialist	CGAP	CGAP is a global partnership of more than 30 leading development organisations that works to advance the lives of poor people, especially women, through financial inclusion.
15	Skilled Entrepreneur	Avilasha Ghosh, PhD Candidate and Graduate Teaching Assistant; Runs her own cloud kitchen	IIT Delhi	The Indian Institute of Technology Delhi is an institution of excellence, recognised for the academic calibre and versatility of its educational programme worldwide. Apart from her stint at IIT-Delhi, Avilasha had started a cloud kitchen through social media during the pandemic. It started off as a hobby, which is now turned into a successful business.

16	Financial Institution/Fintech	Anand Kumar Bajaj MD & CEO	Pay Nearby	Paynearby is a DIPP Certified Fintech Company registered under The Startup India program of Government of India, set up in April 2016 by a team of professionals with experience in Digital Banking & Payments industry.
17	Donor/Foundation	Vaishali Aparajit, Partner Enablement Manager	DeAsra	deAsra is committed to enabling people to start, manage & grow a small business successfully. They offer a platform wherein, setting up, managing & growing a small business is made simple & entrepreneur friendly through a broad array of support services.
18	Donor/Foundation	Nidhi Bhasin	Nasscom Foundation	Nasscom Foundations works with individuals and organisations to tackle development challenges through technology. Their three areas of interventions are - digital literacy, skilling and employability, and women entrepreneurship.
19	Training/Capacity Building	Vandana Bahri	NSDC	A not-for-profit set up by the Ministry of Finance to promote skill development through vocational training.
20	Training/Capacity Building	Wingee Sampaio	Cartier Women's Initiative	An annual international entrepreneurship program encouraging women-run and owned impact enterprises.
21	Training/Capacity Building	SS Bhat	Friends of Women's World Banking	FWWB is an Indian APEX institution providing financial and capacity building services to organisations promoting livelihoods and self-reliance of poor women.
22	Donor/Foundation	Riddhi Agarwal	Edelgive Foundation	A grant-making organisation, funding and supporting small to mid-sized grassroots NGOs committed to empowering vulnerable children, women, and communities, through philanthropy.
23	Donor/Foundation	Dhruvi Shah	Axis Bank Foundation	Foundation's mandate is to enhance economic development for the marginalised communities. The programs encourage mobilising, collectivising women into groups, improving their financial capabilities, entitlement and healthcare awareness, micro enterprise management.
24	Incubator	Aishani Pandey, Portfolio & Innovation	Social Alpha	Launched in 2016, Social Alpha is an incubator/accelerator for nurturing entrepreneurs and innovators through their lab to market journey.

## Annexure: Policy and Programming efforts undertaken by the Government of India, and State-specific initiatives

The Central and state government and aligned agencies have instituted many measures for the promotion of entrepreneurship among women. The National Policy for Skill Development enlists a public procurement process to incentivise women-owned businesses. Several schemes like the Pradhan Mantri Micro Units Development & Refinance Agency (MUDRA) Yojana, Udyogini Scheme, Bharatiya Mahila Bank commercial loan scheme, Dena Shakti Scheme, Mahila Udyam Scheme, Stree

Shakti Scheme, and the Annapurna Scheme, have provided women entrepreneurs access to capital in the form of loans. Since its inception, the MUDRA scheme has largely benefitted women. About 68 per cent of the beneficiaries of the scheme have been women. A list of public entities and policies/schemes that promote and support women's entrepreneurship in urban and peri-urban areas is provided in the Appendix.

Types of government entity/schemes	Details
Trade Related Entrepreneurship Assistance and Development (TREAD) for Women	This scheme provides women entrepreneurs with trade related training, information and counselling and matching grants of 30 per cent of the project cost. This is targeted toward low-income, illiterate/semi-literate women.
Small Industrial Development Organisation (SIDO)	The SIDO through a network of Small Industries Service Institutes throughout the country conduct the Entrepreneurial Development Programmes exclusively for women entrepreneurs. These programmes aim at developing entrepreneurial traits and qualities among women and enable them to identify entrepreneurial opportunities, acquire basic knowledge and skills on enterprise building and the procedures of taking up small scale industries.
Rashtriya Mahila Kosh (Ministry of Women and Child Development, Government of India)	RMK is a facilitating agency providing loans to NGO-MFIs (intermediary organisations), who in turn provide loans to women self-help groups; additional services offered include the appointment of nodal agencies & franchises to increase the spread of microcredit for women, capacity building, awareness creation on economic independence of women, and providing market linkages for aspiring entrepreneurs.



Mahila E Haat (Ministry of Women and Child Development)	A website of the Rashtriya Mahila Kosh, intending to provide an online marketplace for women selling products and services reflecting creative potential. The scheme aims at the economic empowerment of women and creation of entrepreneurs.
Financial support	<ul style="list-style-type: none"> <li>• Annapurna Scheme: loan upto Rs.50,000 for setting up small scale industries in the food catering industry</li> <li>• Bharatiya Mahila Bank Business Loan: large scale loan for upto Rs. 20 crores</li> <li>• Mudra Yojana Scheme: different types of loans provided based on business type, level of expansion and objective of upto Rs. 10 lakhs</li> <li>• Oriental Mahila Vikas Yojana Scheme: upto Rs.25 lakhs loan without collateral and with a interest subsidy of 2% for women enterprises where women hold &gt;51% stake</li> <li>• Dena Shakti Scheme: loans upto Rs.20 lakhs for women entrepreneurs in agriculture, retail, manufacturing, and are small enterprises/microcredit organisations</li> <li>• Pradhan mantri Rozgar Yojana: loans upto Rs.2-5 lakhs to create skill-based self-employment through women entrepreneurs; subsidy amount of upto 15% of project cost</li> <li>• Udyogini scheme: loans of upto 1 lakh for WEs with a family income of &lt;Rs.40,000 per annum</li> <li>• Cent Kalyani Scheme: loans of upto Rs.100 lakhs aimed towards aspirational or growth oriented women enterprises</li> <li>• Mahila Udyam Nidhi Scheme: loans upto Rs.10 lakhs to address gaps in equity and for reconstruction of non-viable small scale industries</li> <li>• Stand up India Scheme: Facilitate bank loans in the range of Rs. 10 lakh - 1 crore to at least one female borrower per bank branch for setting up a greenfield enterprise in manufacturing, services or agri-allied activities</li> </ul>
NITI Aayog	NITI Aayog's Women Entrepreneurship Platform (WEP) is a unified access portal that facilitates access to relevant information and services through key partnerships. As an aggregator platform, WEP hosts information and services relevant to women entrepreneurs. WEP enables key partnerships to bring crucial content, workshops, campaigns and other avenues of learning and growth to its users from trailblazers in the industry. Through its partnerships, services are provided in 6 main focus areas: Community and Networking; Funding and Financial Assistance; Incubation and Acceleration; Compliance and Tax Assistance; Entrepreneur Skilling and Mentorship; Marketing Assistance

## State-level policy initiatives

State	Scheme	Details
Bihar	Mukhyamantri Mahila Udyami Yojana	Provision of an interest-free loan to women entrepreneurs.
Himachal Pradesh	Development of Incubation Centre for entrepreneurs	In collaboration with NIFT
Jammu & Kashmir	'Hausla' entrepreneurship program	Identifying & empowering Women Entrepreneurs as role models, providing them with markets, networks, training & continuous support and subsequently building an ecosystem to inspire other local women entrepreneurs.
Karnataka	Xcelerator Bangalore' (XB) initiative	Six-month accelerator programme for supporting and scaling women-owned micro-businesses.
Rajasthan	Women's entrepreneurship development programmes (WEDP)	To overcome barriers to business creation and self-employment during the COVID-19-19 pandemic.
Tamil Nadu	Forum to promote women entrepreneurs	To address specific needs of women entrepreneurs concerning business-related issues and Women Wise (WW) would bring together the collective wisdom of the entrepreneurs and initiate changes through them.



Web: <https://avpn.asia>

