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# Need of Women entrepreneurs to succeed India's Sustainable Development Goals

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## ABSTRACT

Sustainable Development Agenda or Goal (SDG) was executed with 17 Goals which are to be achieved universally by 2030 through a global strategy (Sustainable Development UN Summit,2015). The goal involves “Poverty, hunger, improved nutrition, promote sustainable agriculture, promote well-being for all at all ages. Ensuring inclusive and equitable, gender equality, water and sanitation, full and productive employment, Build resilient infrastructure, provide quality education, promote inclusive and sustainable industrialization and foster innovation”. (UN IEAG, 2017). Without enterprise and entrepreneurs, there would not be much invention, growth, and employment. They account for a large part of the economic activities that operate both in the agricultural and non-agricultural sectors. According to Adam Smith an entrepreneur, is an individual who forms an organization for commercial purposes. He / She is a proprietary capitalist, a supplier of capital, and at the same time a manager who intervenes between the labor and the consumer. The targets for Sustainable Development Goal 5, ‘Achieve gender equality and empower all women and girls’, Goal 5.5 “Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life”. Enterprise is a vibrant source of economic growth that creates income. India is the second highest populated economy having a wider market. Both male and female entrepreneurs are relatively rare here compared to other emerging economies (OECD, 2018). Only 23.7 percent of eligible Indian women are part of the workforce compared to 75 percent of men, also India ranks low in terms of economic participation of women. The Global Gender Report 2022 by the World Economic Forum ranked India at 127 out of 146 countries. Based on the above theory the current paper tries to capture the growth of Women entrepreneurs at the global level and attempts to compare it with the progress of Indian Women entrepreneurs. Secondary data from Global Entrepreneurship and Development Institute, OECD reports, World Bank reports, Sustainable development reports, Indian Government reports, and census reports have been collected to verify the above objectives. By adopting the percentage method, data visualization techniques, and growth rate is used to analyse the objective, the global need for Women empowerment is proved and based on which the policy suggestions are provided.

Keywords: Entrepreneurship, economic development, employment, Sustainable Development Goals

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## INTRODUCTION

“Sustainability focuses on meeting the needs of the present without compromising the ability of future generation’s needs” IRDB (1992). “In 2015, 193 United Nations (UN) member states committed to work towards achieving the 17 SDGs and their 169 targets by 2030” (UN, 2015). Collectively, the SDG aims to ‘free humanity from poverty, secure a healthy planet for future generations, and build peaceful, inclusive societies as a foundation for ensuring lives of dignity for all’ (UN 2017:4). The targets for Sustainable Development Goal 5, ‘Achieve gender equality and empower all women and girls’, Goal 5.5 “Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life”. Table 1 presents the ranking of few selected countries in achieving this SDG (17) goals, this ranking therefore provide an excellent tool for government/organization to analyze countries’ performance on the goals. From the table, the rank of India in SGD for the past few years is between 110 and 121.

Table 1: SDG ranking

| COUNTRY            | Ranking    |            |            |            |            |            |            |
|--------------------|------------|------------|------------|------------|------------|------------|------------|
|                    | 2016       | 2017       | 2018       | 2019       | 2020       | 2021       | 2022       |
| Sweden             | 1          | 1          | 1          | 2          | 1          | 2          | 3          |
| Denmark            | 2          | 2          | 2          | 1          | 2          | 3          | 2          |
| Norway             | 3          | 4          | 6          | 8          | 6          | 7          | 4          |
| Finland            | 4          | 3          | 3          | 3          | 3          | 1          | 1          |
| <u>India</u>       | <u>110</u> | <u>116</u> | <u>112</u> | <u>116</u> | <u>117</u> | <u>120</u> | <u>121</u> |
| China              | 76         | 71         | 54         | 39         | 48         | 57         | 56         |
| <i>Afghanistan</i> | 139        | 150        | 151        | 153        | 139        | 137        | 147        |

Source: From various reports on SDG Index .

Invention, growth and employment are impossible without enterprise and entrepreneurs. Schumpeter defines an entrepreneur as, “a person who is willing and able to convert an original idea and invention into a successful innovation. A person who can inspire,

recognize, listen, motivate and channel people’s talents is a powerful leader. A leader is characterized by the energy of the act and not that of thought. Empower employees can be realized by Creating and giving challenging jobs, allow them to work on their own path, questioning intellectual ability, involving them in decision making process, acknowledging the work done; offering opportunity to share their findings, boost their performance, knowledge sharing, credibility among employees, allowing them to take part in the Board, make their presentation and to answer the questions raised by the Board are different ways of empowering them. This motivating tool can result in increasing the organizational commitment and effectiveness, employee’s trust, cooperation, communication, competitiveness, self-respect, self-worth, loyalty, productivity etc”. (Backhaus, 2003).

Enterprise is a vibrant source of economic growth which creates income. “India is the second highest populated economy having a wider market. Both male and female entrepreneurs, are relatively rare here compared to other emerging economies” (OECD, 2018). “Only 23.7 percent of eligible Indian women are part of the workforce compare that to 75 percent of men, also India ranks low in terms of economic participation of women. The Global Gender Report 2022 by the World Economic Forum ranked India at 127 out of 146 countries. Women entrepreneurs advancement is very less in India, especially in rural areas” (Bizztor, 22nd March 2018). India ranks 120 among 131 countries in female labor force participation rates. As per Population Census 2021 “Female literacy rate was 71.5 percent and the work force participation rate for female was 32.8 percent” (Ministry of Labour & Employment, March 2023). “Enrollment in higher education increases to 4.14 crore, crossing the 4 crore mark for first time; increase of 7.5% from 2019-20 and 21% from 2014-15” (AISHE, 2022). “It has been observed in India, that 8.05 million out of the total 58.5 million establishments were run by women entrepreneurs which is around 13.76 percent of the total number of establishments. Total workers engaged in women owned and run establishments were 13.48 million persons, which is 10.24 percent of the total number of workers engaged in India under different economic activities. Also, the average employment per establishment for women-owned establishments was found to be 1.67” (All India Report on 6th Economic Census, 2023). Also, “Indian



GDP can be increased by raising women's labour force participation" (Economic Facts, 2018). According to the World Bank "In 2012, only 27 percent of adult Indian women had a job when compared to 79 percent of men and about 20 million women had dropped out of the workforce between 2005 and 2012"(The Economic Times Women's Forum, World bank, IBRD,2019). According to Mc. Kinsey reports (2018), "women account for half of the Asia Pacific population but contribute only 36 percent of the \$26 trillion of GDP". This is in line with the global figure of 36 percent. Traditional economic theory reveals that GDP cannot capture the unpaid care of women; if this could be captured roughly it could result in 15 percent of the region's GDP. The economic prosperity depends on the huge and unrecognized contribution of women through unpaid care work.

Studies on women entrepreneurs can be traced out from previous literature. Few like Stoner et.al., (1990), Rani (1996), Dhaliwal (1998), Das, M (2000), Kutanis & Bayraktaroglu (2003), Katrina, H. (2007), Jyoti et al, (2011) Vani and Srilatha (2014), Khan (2015), Shingle and Singh (2017) Kadalarasane and Sundari (2018)Reza and Yasmin (2019) RU Khan (2021),S Gulia (2022) highlight the success and struggles faced by women entrepreneurs.

## METHODOLOGY AND OBJECTIVE

Based on the above theory the current paper tries to capture the growth of Women entrepreneurs at the global level and attempts to compare it with the progress of Indian Women entrepreneurs emphasizing the importance of SDG 2030. Secondary data from the Global Entrepreneurship and Development Institute, OECD reports, World Bank reports, Sustainable development reports, Indian Government reports, MOSPI and census reports have been collected to verify the above objectives. By adopting the percentage method, data visualization techniques and growth rate is used to analyse the objective. The paper is organized as follows: Introduction and previous literature of the study Methodology and objective of the paper are provided in section I, section II presents the Analysis and discussion finally the findings, conclusion, and policy suggestions are provided in section III.

## METHODOLOGY

### GLOBAL WOMEN ENTREPRENEURS

data on world regions regarding women and development is presented in table 2.. It is clear from the table that the life expectancy indicator for all the regions is satisfactory, but, the female wages in Asia, Africa, and Low-income countries are . Also, in Asia, women's participation in Parliament and female owners in the firm is very low.a.



Table 2: Women and Development

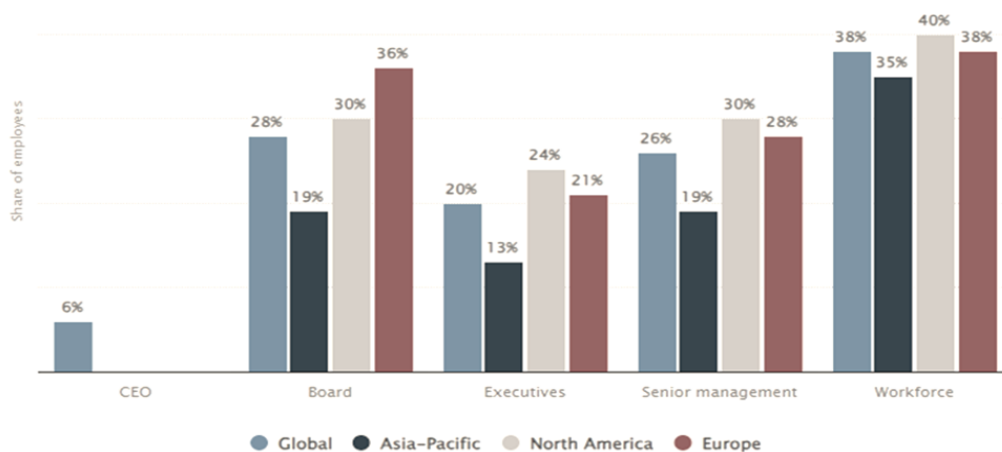
| Region                | Life expectancy at birth 2017 | Ownership at a financial institution or with a mobile-money-service provider, female (percent of population ages 15+)(2017) | Wages and salaries of workers percent of females (2018) | Firms with female participation in ownership Percent of firms (2011-2018) | Women in parliaments Percent of total seats 2018 |
|-----------------------|-------------------------------|---|---|---|--|
| East Asia & Pacific   | 77.6                          | 71.5  | 60.6  | 47.5  | 20   |
| Europe & Central Asia | 80.6                          | 79.4  | 85.4  | 32.5  | 28   |
| Middle E & N Africa   | 75.4                          | 38  | 67.4  | 23.3  | 17   |
| North America         | 81.5                          | 93.4  | 92.4  | ..  | 23   |
| South Asia            | 70.3                          | 64.1  | 20.2  | 18.4  | 18   |
| Sub-Saharan Africa    | 62.1                          | 36.9  | 19.8  | 30.8  | 24   |
| Low income            | 64.8                          | 29.9  | 17.8  | 26  | 23   |
| Lower middle income   | 69.8                          | 53  | 30.7  | 35.8  | 19   |
| Upper middle income   | 77.6                          | 69.3  | 66.2  | 38.3  | 25   |
| High income           | 83.1                          | 92.9  | 89  | 38.9  | 28   |
| World                 | 74.3                          | 64.8  | 55.6  | 35.1  | 24   |

Source: world Bank development indicators

Region wise Share of women employed in companies is presented in figure 1, its clear from the graph that Share of women employee in board, as executives, as

senior managers is extremely low when compared to Europe and North America.

Figure 1: Share of women employed in companies in 2022



Source: Statista, 2023

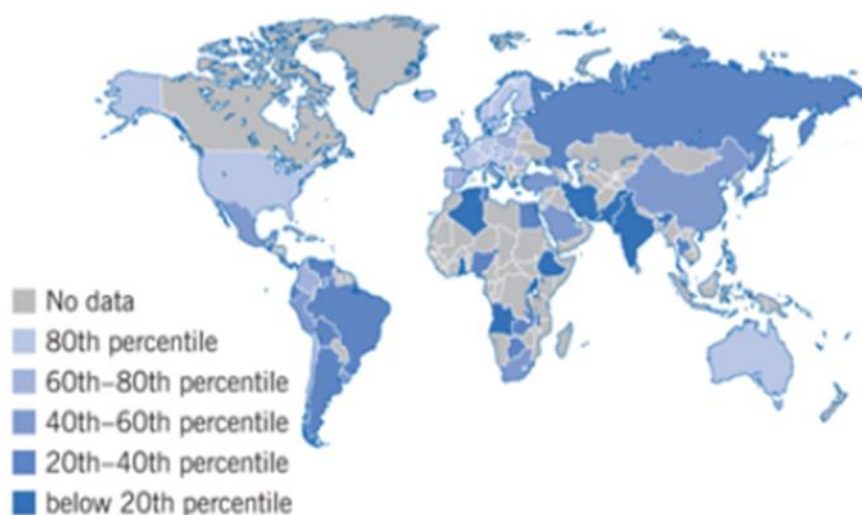
The Female Entrepreneur Index (Femdex, 2015)<sup>1</sup>, is provided in table 3. Here US stands first and the FEI ranking of India is in and around 70, which highlights the need of women entrepreneur in India. Also the Figure 2 below indicates the Region wise Country's support of high-potential female entrepreneurship, it is clear from the graph that the support from India for this high-potential female entrepreneurship is very low i.e., less than 20 percentile.

**Table 3: Female Entrepreneur Index Ranks of various countries**

| Country        | Rank 2013 | Rank 2015 | Rank 2021 |
|----------------|-----------|-----------|-----------|
| United States  | 1         | 1         | 1         |
| Australia      | 2         | 2         | 2         |
| United Kingdom | 5         | 3         | 9         |
| Denmark        | 10        | 4         | 13        |
| Belgium        | 7         | 13        | 14        |
| Germany        | 11        | 14        | 7         |
| South Africa   | 32        | 36        | 37        |
| India          | 68        | 70        | 70        |

Source: Female Entrepreneur Index 2015,2019,2022

**Figure 2: Region-wise Country's support of high potential female entrepreneurship**



Source: world of labour, IZA, 2019

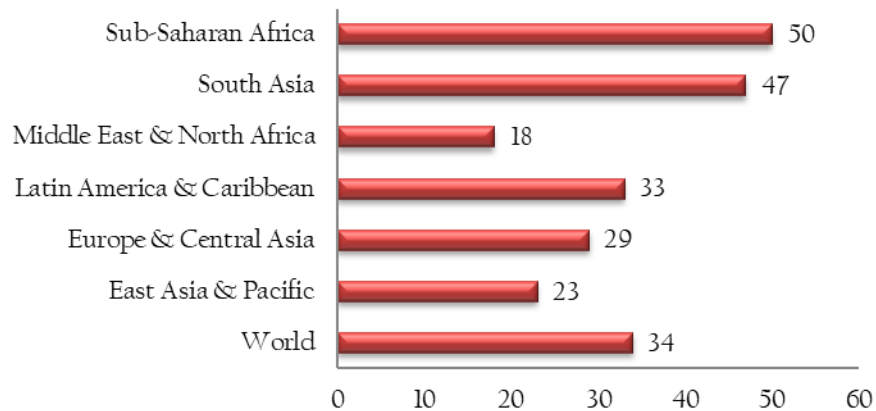
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<sup>1</sup> which measures gender equality



Figure 3: Region wise share of business owned by women.

### Graph 3: Region wise share of business owned by women



Source: World Bank 2023

The region wise share of business owned by women. The figure clearly reveals the share of small, medium and large firms with a women among the principal owners in percent , the data clearly reveals that only 1 in 3 business are owned by women ( Gender data, World bank, 2023). Economy wise the rank of ease of doing business and starting a business ( 2022) is presented in Table 4, which reveals that India needs to make some revolutions in this field, which will contribute to the growth of the economy.

Table 4: Ease of Doing Business Rank (2022)



| Region      | Ease of doing a business RANK | Starting a Business |
|-------------|-------------------------------|---------------------|
| New Zealand | 1                             | 1                   |
| Singapore   | 2                             | 4                   |
| Denmark     | 4                             | 45                  |
| Korea,Rep   | 5                             | 33                  |
| US          | 6                             | 55                  |
| UK          | 8                             | 18                  |
| Germany     | 22                            | 125                 |
| Canada      | 23                            | 3                   |
| China       | 31                            | 27                  |
| India       | 63                            | 136                 |

Source: Compiled from World's Bank Doing Business database

#### GROWTH AND PROSPECT OF INDIAN WOMEN ENTREPRENEURS

“India has 63 million micro, small, and medium enterprises (MSMEs), of which around 20% are women owned, employing 22 to 27 million people. India ranked 57th among 65 countries in the Mastercard Index of Women Entrepreneurs (MIWE, 2021). Estimates suggest that by accelerating women's entrepreneurship, India could create more than 30 million women-owned enterprises, potentially creating 150 to 170 million jobs. Out of the 432 million working-age women in India, only 19% of women participate in any formal and paid work.

Global Entrepreneurship Monitor (GEM) shows women's total early-stage entrepreneurial activity (TEA) rates are often high in low-income countries. Contrarily, India has an average TEA rate of only 2.6%<sup>14</sup> for women. GEM reported that female entrepreneurs in India cited job scarcity as a critical motivation for business creation as against the opportunity to grow a business and earn profits”.(Micro Save Consulting, 2022)

The Indicators which are used to construct the Rank of Ease of Doing business is presented in Table 5, the table gives a clear comparison of 2019 and 2022. Out of 190 countries India's rank is 137 in ease of doing business (World's Bank Doing Business database).

**Table 5: Indicators of Ease of Doing Business Rankings in India**

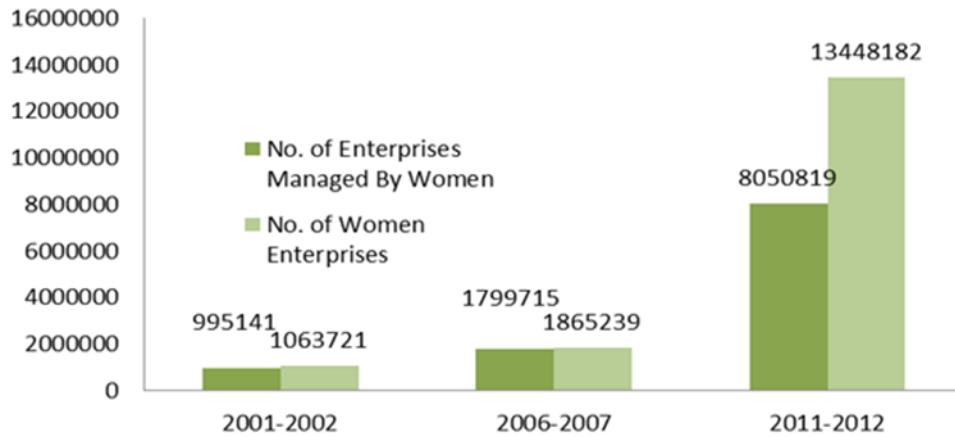
| Ease of Doing business (rank)     | 2019 | 2022 |
|-----------------------------------|------|------|
| Starting a Business               | 137  | 136  |
| Dealing with Construction Permits | 52   | 27   |
| Getting Electricity               | 24   | 22   |
| Registering Property              | 166  | 154  |
| Getting Credit                    | 22   | 25   |
| Protecting Minority Investors     | 7    | 13   |
| Paying Taxes                      | 121  | 115  |
| Trading across Borders            | 80   | 68   |
| Enforcing Contracts               | 163  | 163  |
| Resolving Insolvency              | 108  | 52   |

Source: Compiled from World's Bank Doing Business database





Figure 4: Management Participation of Indian Women Entrepreneurs



Source: computed from third, fourth and sixth census reports.

The management participation of Women entrepreneurs is presented in figure 4. It is clear from the graph that both the indicators reveals a drastic growth in 2011-12. As per the sixth census report, the number of enterprises managed by women has increased over the decade and especially in the past 5 years it has increased by six folds in 2012.

Table 6: State/UT wise total number of Establishments under women entrepreneur by Major Sources of Finance

| Source of Finance                              | percentage |
|--|------------|
| State/UT Self Finance                          | 79.07      |
| Financial Assistance from Govt. sources        | 3.37       |
| Borrowing from financial institution           | 1.08       |
| Borrowing from Non-institutions/ Money Lenders | 0.84       |
| Loan from Self Help Group                      | 1          |
| Donations/ Transfers from other agencies       | 14.65      |

Source: Source: computed from All India Report on 6th Economic Census, (MOSPI)2022.

Table 6 reveals the Percentage of Establishments under women entrepreneur by major Source of Finance like, loan, borrowing, self-finance etc. It is

clear from the table that almost 79 percent of the women establishments were self-financed, which reveals that the government should take necessary steps to help the entrepreneur. The second important source which is 14.5 percent is donations or transfers from other agencies. The next important sources were Assistance from the Government and Borrowing from financial institutions which are 3.4 percent and 1.1 percent respectively.

## CONCLUSION

Empowering is no longer a responsibility it's a necessity for India to achieve its SDG 2030. Women contribute nearly half of the Indian population. Yet the achievement of women is insignificant. India can accelerate its growth by boosting greater participation of women in the economy. Significance for Women's empowerment and employment started early from the second five-year plan (1956-61) the Department of Ministries has implemented 32 schemes for women where, not much is active and few have not reached the rural areas to benefit those women. India, being the 2nd largest populated economy with almost 70 percent of the consumers belong to the age group of 25 to 40, is a perfect place for doing business, also it is a monopolistic market that includes the style, standard, consumer choice etc.



The government motivates entrepreneurs with startups in India, make in India, etc., which helps the growth of the individual as well as the economy. In addition to this, The Ministry of Skill Development and Entrepreneurship provides an Entrepreneurship Awareness Program and an Entrepreneurship Development Program through training and workshops for new start-ups that help new entrepreneurs. As a result, there can be better infrastructure, technology, better access to finance, which in turn will enhance economic development.

Hence, the paper calls for the following policy measures

- Reforms and procedures must be easier for new businesses to register and operate, with proper guidance
- educational institutions must prepare individuals with the skill sets to make use of entrepreneurial opportunities,
- “the workers and entrepreneurs belonging to weaker sections are facing problems, regarding collateral security and they are not getting due encouragement from banks”. (pg 151, LEM Report). Hence, budgetary support should be considered

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