

# An Economic Contribution of Women Micro Entrepreneur's Capability and Performance of Government Initiatives in Andhra Pradesh

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## Abstract

The paper highlights the capability of women entrepreneurs and performance of Government initiatives to development of Andhra Pradesh State. The women empowerment through micro entrepreneurship has been taken up to add value to become favourable for women to become entrepreneur.

Women can play an important role in Micro businesses and hence if given attractive tax stimulus, women ownership of MSMEs can increase from 14% to 30% in 1 year. As per World Bank's Global index Data for measuring global financial inclusion, released in June 2022, women are 8 - 10% more unbanked than men. Hence Along with Jan Dhan accounts, micro investment and micro savings schemes, with the right financial education and Literacy efforts will play an important role in improving financial inclusion. Empowerment is one of the key factors that determine the success of upliftment in the status and position of women in the society. Presently in India, the women are enjoying the socio-economic status through starting their own business. It also can be said that significance, self-confidence, self-determination, self-esteem and self-efficacy are the main contributors in psychological empowerment. As per Global Gender Gap Report, World Economic Forum, July 2022, it will take another 132 years to fully bridge the Gender gap globally. India Ranks 135th out of 146 countries to close only 62.9% of its Gender gap. In this situation, it only calls for better tax benefits and lower tax slabs to working women linked to flexi working options, to promote higher inclusion of women in workforce for faster economic growth. Only 6% startups today are solely women led, hence tax incentives and holidays to promote women led startups and businesses will go a long way in encouraging women to come forward to start their own businesses. Three of the country's 11 industrial corridors are being built in Andhra Pradesh. Their proactive engagement and unwavering commitment have facilitated the successful execution of various programs and policies that support women-owned businesses. Sri N Chandrababu Naidu's former Chief Minister of Andhra Pradesh as vision for promoting women's entrepreneurship is rooted in gender equality and inclusive growth. The initiatives implemented have provided vital support, including financial assistance, skill development, and networking opportunities, to women-owned businesses.

**Keywords:** Economic Growth, Gender Equality and Inclusive Growth, Psychological Empowerment in Society

## I. Introduction

The development of women micro entrepreneurship activities our families have gained the status of a national movement not only the industrial development but also for solving the problems of unemployment and upliftment of economically weaker sections in study areas. Women can play an important role in Micro businesses and hence if given attractive tax stimulus, women ownership of MSMEs can increase from 14% to 30% in 1 year. As per World Bank's Global index Data for measuring global financial inclusion, released in June 2022, women are 8 - 10% more unbanked than men. Hence Along with *Jan Dhan* accounts, micro investment and micro savings schemes, with the right financial education and Literacy efforts will play an important role in improving financial inclusion. As is, being emphasized by a section of planners and economists, a new strategy of women entrepreneurship development has to be evolved taking into consideration not just the growth factor, but also the question of gainfully employing the economically active population. With a proper support system, the number, scale, and sustainability of such enterprises could increase significantly, creating up to 170 million jobs - which is more than 25 percent of the new jobs that need to be created in India until 2030. The spirit of innovation, perseverance, and determination are exemplified by these remarkable Women entrepreneurs<sup>1</sup>.

Women's contribution to the economic growth takes many forms including entrepreneurship. Existing literature suggest that women can play a significant role in the larger entrepreneurship landscape and economic development. Unfortunately, the level of women entrepreneurial success is still low. Most of women failed to sustain in entrepreneurship due to psychological characteristic issue for instance lack of empowerment among themselves. Consequently, many countries have been focusing on empowering women for the economic development and to relieve the plight of women living in poverty. Therefore, women empowerment emerges as one of the crucial issues in the entrepreneurship field especially among low income household. Increasing empowerment element among women is seen as one of the ways to improve entrepreneurial activity and increase the access for economic opportunity. It is this strategy, which will bring the women entrepreneurs into the main stream of life and activity and ensure for them a better livelihood so that they could be a part of the prosperity of the country. The limitation on the explanation concerning the concept of the psychological women empowerment on women entrepreneur requires for further investigation. Therefore, this study was conducted to investigate the role of psychological women empowerment that may assist in women entrepreneurial success.

The study indicated that there was significant positive relationship between psychological women empowerment and women entrepreneurial success. In addition, the women had greater level of autonomy, independence and having control on their business. The evidence that women in low income household engaged in entrepreneurial activities feel much empowered that leads to business sustainability. Empowerment is one of the key factors that determine the success of upliftment in the status and position of women in the society. Presently in India, the women are enjoying the socio-economic status through starting their own business. It also can be said that significance, self-confidence, self-determination, self-esteem and self-efficacy are the main contributors in psychological empowerment. Through Psychological empowerment women enable to gain insight and aware of what is

unfavourable and undesirable about their current situation, they could perceive a better situation and the possibilities of attaining it and also realize what is within their reach and what they could do to improve their situation. As these women business people keep on succeeding, they act as good examples for trying business people, empowering them to seek after their fantasies and have an enduring effect on society<sup>2</sup>.

Growth of industrialization, urbanization, education and democratic system in the country, the traditional bound in Indian society has seen a major technological change and the women now are seeking gainful economic activities. Women's economic and social development is necessary for overall economic development of society. Women entrepreneurship is gaining importance in the wake of globalization and economic liberalization. The institutional and policy framework for developing entrepreneurial skills, providing vocational education and training has widened the horizon for economic development of women. Women's entrepreneurship is important for women's position in society, and economic development of women will lead to development of family, community. It opens up new avenues for creating employment opportunities for women and men. The study focuses on parameters to be focused to enhance the entrepreneurial skill of women and in turn their empowerment. Hence, entrepreneurship became a logical necessity to women in particular. Women are being complimented by an increase in women literacy rate and enhanced opportunities. This combination of enhanced literacy rate and enhanced opportunities pushed upward the spirit and activities of women entrepreneurship, but basic problem of a woman entrepreneur is that she is a woman.

Traditionally financial products and budgets are designed keeping men in mind. While 48.5% of India's population is woman considered the Goddess of Wealth in India, it is paradoxical to note that Women and Wealth do not enjoy a close relationship. As per latest TATA AIA report, Oct 2022, 56% women are not allowed to take financial decisions. As per Global Gender Gap Report, World Economic Forum, July 2022, it will take another 132 years to fully bridge the Gender gap globally. India Ranks 135th out of 146 countries to close only 62.9% of its Gender gap. In this situation, it only calls for better tax benefits and lower tax slabs to working women linked to flexi working options, to promote higher inclusion of women in workforce for faster economic growth<sup>3</sup>. Only 6% startups today are solely women led, hence tax incentives and holidays to promote women led startups and businesses will go a long way in encouraging women to come forward to start their own businesses. Commercialization and modernization of Indian economy has resulted in decline in the avenues of employment especially to women in both agriculture and industry and thus compelled them to supplement their incomes with the spirit of entrepreneurship. Many women entrepreneurs say that the new digital tools have made it easy for them to track their income and expenditure, giving them a more accurate picture of their businesses. Small women entrepreneurs often have limited access to smartphones while some others are wary of new technology, especially regarding the collection of their business data.

Woman has to play a dual role as a housewife and also as an income earner, the resulting in a role conflict in women which prevents them from taking a prompt decision in entering business women in rural areas have to suffer still further. Women and small entrepreneurs always suffer from inadequate financial resources and working capital. They are lacking access to external funds due to absence of tangible security and credit in the market. For marketing their products, women entrepreneurs are often at the mercy of the middlemen who pocket the chunk of profit. Further, women entrepreneurs find it difficult to capture the market and make their products popular. Many of the women enterprises have imperfect organizational setup. They have to face severe competition from organized industries and male

entrepreneurs. Women entrepreneurship is the order of the day, more and more women are participating in the entrepreneurial economic activities in various fields. Women entrepreneurs have vast entrepreneurial talents, which could be harnessed to convert them from the position of job seekers to job-givers. The range of activities of women entrepreneurs varies from small business to big manufacturing enterprises. The line of differentiation between men and women entrepreneurs is being erased by the performance of women entrepreneurs. Women entrepreneurs play a vital role in the overall economic development of the country. Women have been successful coming out of their homes by entering into different kinds of business and services. Women suffer from many handicaps including the traditional, conservative, orthodox approaches of understanding women at the time of entry into business, but the compelling urge for self-expression by women enabled them to overcome the barriers created by the society.

Women entrepreneurs have proved that they are equally doing business with the men and are emerging as dynamic entrepreneurs. They are accepting the challenging role to meet her personal needs and become economically independent. Rural women are now increasingly running their own business yet their entrepreneurial potential, managerial skill and socio-economic contribution remain largely neglected<sup>4</sup>. Women entrepreneurship development is the instrument of women empowerment. Empowerment through entrepreneurship leads to self-fulfilment and makes women aware about their status, existence, rights and their position in the society. In the modern era, women are becoming socially empowered, and economically empowered through business ownership. This, combined with the obstacles faced by master trainers in reaching remote areas, can make it difficult to get the women to adopt these beneficial tools.

## 2.0 Role of Women in India's Economy

In India 20.37% of women are MSME owners which account for 23.3% of the labour force. They are considered to be the backbone of the economy. According to McKinsey Global, India can potentially add US\$ 700 billion to global GDP by increasing women's participation in the labour force. The percentage of women working in the manufacturing and agriculture sectors is higher than that of men. These sectors are usually credited with helping families come out of poverty and contributing to higher household income. Moreover, literacy rates among women grew at 8.8% in FY21, which further highlights the bright prospects of the country<sup>5</sup>. Through their visionary initiative and innovative ability, they are driving financial development, changing ventures, and making ready for a more promising time to come.

## 2.2 Building the Ecosystem for India's Women Micro-entrepreneurs:

Among the various entrepreneurship entities, micro-entrepreneurship is especially attractive to India's women. Ownership of a micro-enterprise has given millions of women a platform to build social identity and financial capital, while being able to grow it, flexibly. Around 98 per cent of businesses owned by India's women are micro-enterprises, and of these, approximately 90 per cent operate in the sectors like health, cosmetics, clothing, education, women's wellness products, fashion, food and nutrition, garments and textiles. From job seekers, women are becoming job creators. With the right infusion of resources, tools and support, women micro-entrepreneurs can play a lucrative role in job creation, flipping the gender indices, and boosting the economy.

### **2.3 Building digital access:**

The United Nations and India's Supreme Court both declared "access to Internet" as a fundamental human right. Digital access can be a real enabler for the set-up, and flourishing of women-led micro-businesses. It can level the playing field. Hence, distribution, penetration and evangelisation of data and smart devices, must be prioritised. They open the doors of access to learning resources, marketplaces, marketing tools, and communities that will play a key role in fuelling women-led micro-businesses<sup>6</sup>.

### **3.0 Cultivating learning ecosystems**

The micro-entrepreneurship landscape is filled with first-time internet users and first-time entrepreneurs, who must learn the rules of business, from scratch. A culture of conversational and community-based learning, and access to especially curated resources, needs to be encouraged. Online learning ecosystems must create access to a wide range of digital, financial, and general business skills. Mentorship is a key component, as a culture of learning needs to be nurtured. It cannot be a static thing that is created and forgotten. It has to be an evolving, vibrant learning ecosystem, where women micro-entrepreneurs want to show up every day. Through their visionary initiative and innovative ability, they are driving financial development, changing ventures, and making ready for a more promising time to come.

### **3.1 Women-led community marketplaces**

Online marketplaces that prioritise the products and services of women-led businesses can be a lifeline for growth, exposure, visibility, and personal branding. Traditional ecommerce marketplaces have a functional approach to selling and commerce. But community marketplaces are reimagining the e-Commerce experience. They enable micro entrepreneurs to build identity for their brands, via their online shops. This inspires creativity, conversation and content, that leads to commerce. Ready access to a community of potential buyers, is a key component of this model.

### **3.2 Online rural accelerators**

More women are coming online every day, and rural women are the fastest growing demographic on the internet. The pandemic stopped millions of micro-businesses in their tracks. The earning potential of women entrepreneurs was adversely affected. Though they had access to the Internet, they were not prized to leverage it for business. Those that did managed to emerge even more successful. Launching online rural accelerators at scale, with the core elements of skilling, mentorship, and community support/ engagement, will help rural women micro-businesses to stay relevant, and scale. It will nudge more women to become entrepreneurs, create jobs, and invest in their communities.

### **3.3 Access to capital**

All the statistics point to women being better borrowers. Putting more capital in the hands of women micro-entrepreneurs will help them dream big, and grow faster. Yet, millions of unbanked women are left out of the traditional banking and credit systems, and they are unable to access institutional finance. Neo banks have a real opportunity, here, to create access for women micro-entrepreneurs, by reimagining products and services for women. The financial needs of women micro-

entrepreneurs must be understood, and catered to, specifically. We cannot apply a one-size-fits-all approach<sup>7</sup>.

#### 4.0 Online community support & engagement

Offline community models like SEWA and AMUL, have successfully nurtured lakhs of women micro-entrepreneurs, because they created constructive, safe, resource-rich spaces for women to thrive. Online communities have the potential to scale and deliver rich ecosystems to millions of women micro-entrepreneurs. Safety, conversations, expression, recognition are the cornerstones of supportive ecosystems, and technology will place a key role in connecting all these dots. We must also develop a culture of recognising and celebrating women micro-entrepreneurs for their struggles and successes. This will encourage more women to embrace entrepreneurship and accelerate their growth trajectories.

#### 5.0 Women-led Business Impact

Women-led businesses provide a great impetus to the economy. India has 432 million working-age women and 13.5 –15.7 million women-owned businesses that provide direct employment to 22–27 million people. In addition, a number of businesses are being controlled by women. Indian women are independent and have a strong motivation to start their own business. According to Boston Consulting Group, start-ups founded or co-founded by women generate 10% more cumulative revenue over a five-year period. These start-ups have a more inclusive work culture and employ 3x more women than men. Moreover, women-led businesses are estimated to grow 90% in the next five years.

#### 6.0 Factors Driving Women to Start Businesses or Join Workforce

Women entrepreneurs are empowering 50% of India's start-up ecosystem, driven by:

- **Recognition:** Recognition in the form of admiration, regard, esteem and renown motivates women entrepreneurs. According to a survey by Bain & Company, more than 45% of Indian women in rural areas were driven to start a business for gaining recognition.
- **Results:** Women-led start-ups provide 35% higher ROI compared to those led by men. This ability to generate more returns encourages women to start their own businesses.
- **Fulfilling unmet needs:** The inherent need in women to provide for the family is a key factor. As they make 85% of purchase decisions, the need to provide a better lifestyle motivates women.
- **Education:** India ranks among the top worldwide for producing female graduates in the science, technology, engineering and mathematics (STEM) industry, with as many as 40% of women graduating from this field. Indian women are game changers in the fields of science and technology<sup>8</sup>.

#### 7.0 Global Investors Summit 2023: Andhra Pradesh aims to set up 20,000 new MSMEs, over 5 lakh jobs:

The state government has also launched two schemes called 'YSR Cheyutha and YSR' to support women entrepreneurs, the board said, adding that it has set a target of grounding 100 clusters in the next two years, out of which 52 clusters are proposed to be established during the FY 2022-23. It added that Andhra Pradesh has consistently been ranked first in Ease of Doing Business (EoDB) for the last three years, which is significant given that this survey is based on a perception survey. According to the numbers released thus far, it had the highest double-digit GSDP growth rate in the country in 2021-22 at 11.43%. It also has maritime infrastructure, as it is India's gateway to the southeast, with 974 km

of coastline, the second longest in the country, 6 existing ports, and four upcoming ports. It has a favourable business environment and industry-focused policies, as well as a proactive government guiding the state. The state has identified various sectors with high growth potential in the long run which include aerospace, defense, agri and food processing, automobiles, EVs, electronics, IT, healthcare, medical equipment, logistics, MSME, startups, petroleum, pharma, renewable energy, textiles, tourism and hospitality. Three of the country's 11 industrial corridors are being built in Andhra Pradesh<sup>9</sup>. To name a few, the state has received the LEADS award for logistics 2022, the Inertia Award for Energy 2022, the ET award for port led, and the infrastructure project 2022.

### **8.0 Empowering Women Entrepreneurs: N Chandrababu Naidu's Initiatives in Andhra Pradesh:**

Under the leadership of **N Chandrababu Naidu** has implemented ground breaking initiatives to promote women's entrepreneurship and provide support for women-owned businesses in Andhra Pradesh. Recognizing the immense potential and talent of women has taken significant steps to create a conducive environment for women entrepreneurs, enabling their economic empowerment and fostering gender equality. They have been instrumental in driving the implementation of initiatives aimed at promoting women's entrepreneurship in Andhra Pradesh. Their proactive engagement and unwavering commitment have facilitated the successful execution of various programs and policies that support women-owned businesses. They have actively worked to remove barriers, provide mentorship, and create platforms for networking and collaboration, thereby empowering women entrepreneurs and ensuring their sustained growth and success. To top promoting Women's Entrepreneurship under the significant milestones in promoting. The establishment of the *Stree Nidhi* Credit Cooperative Federation Limited stands out as noteworthy Achievements. This initiative provides financial assistance, credit facilities, and capacity-building programs to women entrepreneurs, enabling them to start and expand their businesses. Another milestone is the formation of the Mahila Empowerment Fund, which focuses on providing financial support to women-owned micro and small enterprises. This fund aims to bridge the gender financing gap and ensure equal access to capital for women entrepreneurs, empowering them to realise their entrepreneurial aspirations. One of the key initiatives is the implementation of the Women Entrepreneurship Platform (WEP), which serves as a digital marketplace and networking platform for women entrepreneurs. WEP facilitates access to markets, mentors, and capital, thereby fostering business growth and encouraging collaboration among women-owned enterprises. Additionally, the government has introduced skill development programs tailored specifically for women entrepreneurs. These programs provide training, mentorship, and capacity-building support to enhance entrepreneurial skills and equip women with the necessary knowledge and tools for business success. The initiatives implemented have provided vital support, including financial assistance, skill development, and networking opportunities, to women-owned businesses. By fostering an environment that promotes gender equality and economic empowerment of government has paved the way for the growth and success of women entrepreneurs in the state<sup>10</sup>.

### **9.0 Conclusion:**

Women can play an important role in Micro businesses and hence if given attractive tax stimulus, women ownership of MSMEs can increase from 14% to 30% in 1 year. As per World Bank's Global index Data for measuring global financial inclusion, released in June 2022, women are 8 - 10% more unbanked than men. Women-led businesses provide a great impetus to the economy. India has 432

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