



THE ROLE OF INNOVATIVE START-UPS IN STRENGTHENING WOMEN ENTREPRENEURSHIP

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Abstract

A major force behind the development of wealth in society, entrepreneurship benefits individual business owners as well as the government, economy, and general public. Entrepreneurial chances are changing quickly in the current dynamic socio-political and economic environment. Even though the startup ecosystem has grown significantly in recent years, men continue to drive the majority of its activity. Nonetheless, more and more women are now actively using and succeeding on digital platforms, demonstrating their potential in the field of entrepreneurship. Women play a vital role in family and societal development, yet their representation in entrepreneurship remains disproportionately low. Despite the global emphasis on women empowerment in the 21st century, including increased governmental and societal support, women entrepreneurs are still underrepresented in policy discourse and decision making. Their active participation is essential for sustainable socioeconomic development and national progress. The advancement of technology, internet accessibility, and simplified communication tools has opened new avenues for women to engage in digital entrepreneurship. This study examines the crucial role that startups play in encouraging female entrepreneurship, focuses on the supportive elements provided by the startup ecosystem, and talks about the main obstacles that women encounter while starting and growing their businesses.

Key-words: *Women Entrepreneurs, Startups, Innovation.*

Introduction

It is generally acknowledged that entrepreneurship is a key factor in innovation, economic growth, and job creation. By utilizing people's strengths, inventiveness, and willingness to take risks, it is not only a way for individuals to create money but also a way to change civilizations. Startups, or recently founded companies with significant growth potential, have become important engines of innovation in a variety of industries in recent decades. These dynamic businesses, which are fueled by technology and the digital economy, frequently prosper in quickly evolving situations. Despite the exponential expansion of the global startup ecosystem, men continue to dominate it. Despite this, more and more women are pursuing entrepreneurship, especially through tech-enabled firms and digital platforms. These female-led businesses are redefining success, shattering old stereotypes, and making a substantial contribution to social and economic advancement. However, the overall participation of women in entrepreneurship still lags behind, especially in developing countries where gender-based barriers continue to limit their access to resources, networks, and capital. Women are indispensable to the fabric of society, not only as caregivers and contributors to family welfare but also as agents of change and innovation. Their empowerment through entrepreneurship leads to inclusive development, economic diversification, and a reduction in gender disparities. Yet, social norms, lack of institutional support and policy gaps often hinder their entrepreneurial journey. While several initiatives have been launched globally to promote women entrepreneurship, much remains to be done to address structural inequalities and foster an enabling environment.



Startups offer an unique opportunities to bridge this gap. With their flexibility, inclusive culture, and reliance on innovation, startups provide a conducive ecosystem for women to explore and expand their entrepreneurial potential. Technological advancements, particularly the proliferation of internet access and mobile communication, have further lowered entry barriers, making it easier for women to start and scale businesses, especially in digital sectors.

Research Methodology

This study is primarily qualitative and analytical in nature, based on secondary data sources gathered from a various published sources. Government reports, policy documents, research articles, journals, newspapers, and magazines.

Role of Startups in Women Entrepreneurship

In the field of women entrepreneurs, startups are becoming a transformative force. Startups are distinguished from established companies by their inventiveness, scalability, adaptability, and quick response to market demands. These qualities give women, particularly those from marginalized or underrepresented communities, the chance to actively engage in social and economic transformation.

Inspiring Role Models: Successful female entrepreneurs who came out of startups can serve as role models for those who aspire to be like them. By sharing their own stories of perseverance and accomplishment, these role models inspire other women to pursue their business goals. Due to their focus on innovative ideas and unconventional thinking, startups are crucial to the creation of these inspirational tales.

Access to Funding Opportunities: For any business venture to be successful, having access to capital is essential. Women entrepreneurs can obtain the necessary financial support through startups, which are frequently supported by venture capital and angle investors. In order to close the gender gap in funding availability, several companies target women-led projects exclusively.

Encouraging Tech-Driven Solutions: A large number of startups are leading the way in technology innovation. Women entrepreneurs can establish and grow companies that cut across borders by utilizing technology. Technology-driven businesses frequently demand skills rather than gender specific traits, leveling the playing field for women to succeed in traditionally male dominated fields.

Adaptable Workplaces: Startups are renowned for their adaptability and agility. For women who may have a variety of responsibilities, such as childcare or family obligations, their trait is very beneficial. Women are encouraged to actively participate in entrepreneurship because startups provide the freedom they need to better combine their personal and professional life.

Networking and Mentoring: Startups foster a culture of networking and mentoring, matching aspiring business owners with experienced people who can help them navigate the complexities of the industry. This mentor-ship is crucial for female entrepreneurs because it gives them a road map for success and insights into navigating fields that have historically been dominated by men.

Facilitating Creativity and Innovation: Startups frequently function in adaptable and dynamic settings, enabling female entrepreneurs to test out novel concepts, goods, and services. This stimulates innovation and pushes women into specialized markets, particularly in fields like technology, agribusiness, fashion, health care, and education.



Impact of Women-led Startups on Community Development

Creation of Local Employment: Particularly in local and underdeveloped areas, where they frequently give preference to recruiting people from the community, women-led companies are important employers. By providing possibilities to people who might otherwise be shut out of established employment areas, this lowers unemployment and promotes economic stability.

Income Generation: By establishing and running successful businesses, women entrepreneurs contribute directly to household and community income. Their operations generate financial activity that increases purchasing power, improves living standards, and reduces poverty within the region.

Addressing Local Problems: Many women-led startups are born out of a deep understanding of the challenges their communities face. As a result, they often focus on creating solutions for specific local issues such as inadequate healthcare, poor sanitation, lack of educational resources, or limited access to finance and technology.

Inspiring the Next Generation: By leading their own ventures, women set a visible example for younger generations, especially girls, showing that it's possible to break barriers and pursue careers in leadership, entrepreneurship, and innovation—areas traditionally dominated by men.

Changing Gender Norms: The presence and success of women in leadership roles help challenge stereotypes and shift societal perceptions about gender roles, gradually fostering a culture of equality and empowerment within communities.

Government Schemes for Women Entrepreneurs

Annapurna Scheme: This loan is intended for women in the food service industry who are just beginning their small businesses. The credit can be used by these female entrepreneurs to pay for capital requirements such as buying tools and equipment, setting up trucks, etc. Women in India are able to sell packaged goods and snacks under this subsidy for female entrepreneurs. The maximum loan amount under the policy is Rs. 50,000.

Bharatiya Mahila Bank Business Loan: This government-sponsored banking program's main goal is to empower women economically by assisting them in their business endeavours. It seeks to give women entrepreneurs in a variety of industries significant financial support so they can grow their companies and achieve long term success. The loan limit under this scheme is Rs. 20 crores.

Mudra Yojana Scheme: The main objective of this Government of India project is to raise women's socioeconomic status by promoting financial independence and entrepreneurship. It enables women to start or expand their businesses by providing business loans that are tailored to various company needs. The program also provides Mudra cards, which function similarly to credit cards and have a maximum lending limit of Rs. 10,000,000 with a 10% withdrawal cap on the authorized loan amount.

Orient Mahila Vikas Yojana Scheme: The goal of this women's loan program is to assist female business owners who, either individually or collectively, own the majority (51% of share capital) of their companies. By providing loans without collateral, interest rate reductions of up to 2%, and flexible payback terms of up to seven years, the program seeks to support sectors development and business expansion. This initiative has a maximum loan amount of Rs. 25,00,000.



Dena Shakti Scheme: This government program's main objective is to provide sector specific business loans to women working in manufacturing, retail, micro-credit, small businesses, and agricultural. With loan ceiling established in accordance with RBI norms, it assists women in launching or growing their businesses in certain sectors. This scheme has a maximum lending limit of Rs. 20,00,000.

Pradhan Mantri Rozgar Yojana (PMRY): The PMRY aims to promote women's skill-based self-employment by providing financial aid for the establishment of businesses in industry, commerce, and services. The program seeks to advance women's social and economic empowerment, especially in rural and urban areas, by providing them with entrepreneurial opportunities. It includes a subsidy of up to 15% of the project cost (capped at Rs. 12,500 per borrower) and offers loan limits of up to Rs. 2,00,000 for businesses and Rs. 5,00,000 for service and industry sectors. The age at which one is eligible is 35.

Udyogini Scheme: The main purpose of this scheme is to promote economic empowerment and self-reliance among women, particularly those from economically disadvantaged groups, by giving them accessible and reasonably priced loans to launch or grow their own businesses. By providing low interest, collateral free financial support to women whose household income is less than Rs. 40,000 annually, it seeks to promote entrepreneurship in the trade and service sectors and facilitate their economic involvement and self-development, the cap amount for the same is Rs. 1,00,000.

Cent Kalyani Scheme: The sole purpose of this government financial program is to assist female entrepreneurs in starting new firms or growing current ones. According to the official criteria, it particularly targets company types that are qualified (with the exception of retail trade, education/training, and self-help groups). The program is more accessible to women-led businesses because it provides loans without collateral and with no processing costs. Under this policy, the maximum loan amount is Rs. 100 lakhs.

Mahila Udyam Nidhi Scheme: The main purpose of this women's loan scheme is to bridge the equity gap, by encouraging investments in MSMEs and smallscale businesses run by women, aiding in the resuscitation of successful but faltering SSI units, and offering financial aid of up to Rs. 10,00,000 with a 10 year repayment period.

Stree Shakti Yojana: This scheme aims to support and encourage aspiring women entrepreneurs, by providing financial incentives, like a 0.05% interest reduction on loans over Rs. 2,00,000 and making sure they have the required entrepreneurial skills through mandatory enrolment in the Entrepreneurship Development Program (EDP).

Challenges Faced by Women Entrepreneurs

Insufficient Funds: The lifeblood of any business endeavor is funding. Most female entrepreneurs find it difficult to raise money for their businesses. Their lack of significant assets in their name is the primary cause of this. Obtaining loans from potential lenders is hampered by the absence of collateral. The majority of banks and other financial organizations have strict requirements for membership, like owning a well-established firm. In order to launch their businesses, women entrepreneurs must rely on their savings as well as financial assistance from friends and family.



Household Responsibilities: Women are viewed as the main caretakers for the household and family. They are under constant pressure to balance their personal and professional lives. Female entrepreneurs have more stress as a result of this juggling act between work and family. When their children and home take up a large portion of their time, women find it difficult to devote too much to their businesses.

Gender-inequality: Although society is changing and men and women are being called equal, but gender inequality still exists. Even after the governmental efforts for women's empowerment, women are still struggling to get recognized. Gender inequality, pay gap, and discrimination are the barriers that prevent women entrepreneurs from reaching greater heights.

Fear to take Risks: By their very nature, entrepreneurial endeavors are dangerous and prone to failure. Women are inherently hesitant to take risks and try new things. They find it difficult to develop their ability to act quickly, try out new strategies, and make imaginative corrections. Women are constantly afraid of failure because society makes fun of them.

Lack of Education: Female business owners have no prior experience managing a profitable company. The dearth of basic and higher education among Indian women is the cause of this inexperience. As a result, female entrepreneurs are ill-equipped to manage their businesses.

Competition: Businesses in the market are in intense competition with one another. Market rivals and internal competition for leadership present obstacles for women. Women must constantly demonstrate their abilities to investors and coworkers. As a result, women struggle to run the company with little funding.

Conclusion

Women are constantly working to show their presence in every industry. And now, female entrepreneurs have also had an impact on the nation's economic development. Here, the Indian government launched the Startup India initiative to support female entrepreneurs and help them become self-sufficient. Although innovation and technology give women the means to grow their businesses, structural obstacles like a lack of mentorship, societal norms, and funding disparities still impede advancement. Strengthening inclusive ecosystems, capacity building initiatives, and policy reforms are necessary to fully realize the potential of women-led startups. Innovation that empowers women is a means to a more sustainable and equitable society, not just a means of expanding businesses.

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