WOMEN’S WORK: THE IMPACT OF SOCIAL ENTREPRENEURSHIP ON WOMEN’S EMPLOYMENT IN INDIA

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ABSTRACT

The social enterprise industry is very rapidly growing in India. However, the legal and policy framework leaves much to be desired with respect to specifically targeting the particular needs of these enterprises. Furthermore, there has been a growing number of women who found social enterprises, despite the vast number of barriers that face them. This paper aims to identify the benefits of further integrating and promoting female entrepreneurship in India, and evaluate the schemes that exist for the promotion of social innovation. The paper will then recommend policy solutions to cover the gaps that exist in the current framework for social entrepreneurship, and particularly in the framework that aids women entrepreneurs.

Keywords: Women’s Work, Social Enterprises, Women’s Employment, Women Empowerment, Female Entrepreneurship, India.

INTRODUCTION

Social enterprise activity is a rapidly growing sector in India. A study by the British Council between 2015 and 2016 found that there may be close to 2 million social enterprises in India (British Council, 2016).

There have been several historical milestones which brought about the growth of social entrepreneurship in India. In the 1950s, the establishment of both the Land Gift Movement and the Amul Dairy Co-operative set the landscape for the future of social enterprises in India. The Land Gift movement saw the redistribution of over seven million acres of land to India’s poor and landless. Amul became the first business model managed by low income dairy farmers. In the 1960s, Fabindia’s community owned model offered regular income and dividends to local artisans. With the establishment of Ashoka in 1981, the term social entrepreneurship was formally introduced in India for the first time. Through the 1990s, several sustainable business models were set up such as SELCO Solar and Basix, which aimed to bring services and generate
employment in low income households. In 2001, India saw its first impact investment and in 2007, its first academic course related to social enterprises at the Tata Institute of Social Sciences, Mumbai. The Companies Act, 2013 now has corporate social responsibility encoded into law, which is likely to encourage more initiatives of this kind. At present there are several incubators, accelerators, donor agencies and corporations which support social enterprises (British Council, 2016).

In this growing space, it is crucial to evaluate the impact on women. Nearly 25 percent of social enterprises are led by women. As a contrast to the same, less than 9 percent of commercial small and medium enterprises in mainstream business and private sector firms are led by women (Salovaara & Wade, 2018). Thus, it is clear that women have an important role in creating employment, growing businesses and generating economic growth. Women in the sphere face several challenges in establishing and running their social enterprises. This paper will highlight the key issues facing women with respect to social entrepreneurship, and evaluate the gaps in policy concerning women and social innovation.

BACKGROUND

Womens’ empowerment and leadership is likely to lead to multiplier effects that ultimately leads to economic growth and empowerment. Women would be more likely to hire other women to assist in the running businesses, and creating other women beneficiaries. Further, women would be more likely to pass on any gains to family members, which increases opportunities for education and a rise in the household income. It is documented that when women control a greater proportion of household resources, more income is allocated towards food and childrens’ education (Siba, 2016). Data suggests that the absence of regular, salaried jobs may be a contributing factor to why even an increase in education does not lead to an increase in female labour force participation in the Indian context. Therefore, empowering female entrepreneurs in the social enterprise sector creates these opportunities for employment in an otherwise male dominated space (Kabeer, SOAS).

It has been found that although there is a significant portion of women running social enterprises, the disparity between men and women in the field remains high. Women face various barriers such as prejudice, discrimination in the workplace, and pressure from their families, as well as those they interact with in the industry. They often face questions revolving around family, maternity leave and work life balance rather than being judged on their merit, which also limits their access to funding for their enterprises, as they are viewed as a riskier investment and their business ventures are viewed as mere hobbies. In a survey conducted as part of the Activist to Entrepreneur Study of the British Council, 82 percent of women reported that they had an
increased sense of confidence after successfully founding their venture. Further, 47 percent of women responded that they had also received a higher level of respect from their families and society once they had founded their ventures (Salovaara & Wade, 2018).

From the point of view of Marxist Feminist theory, the oppression of women is integral to capitalist production and the creation of a society with unequal distribution of wealth between the ruling class and the working class. Marx maintained that social relations within the family and oppression of women in the home is reflective of the broader social relations of capitalist society. The liberation of women through gender consciousness contributes to the creation of a potentially classless society. Marxist Feminists highlight how a woman’s labor power is given lesser value in society, not only due to a perceived increased cost to employers who control the means of production, but also due to a host of material and ideational factors. In both the spheres of employment and family, women are consistently subjugated in the interests of the capitalist order. Liberation of women through employment opportunities that they may generate themselves would allow them to transcend this subjugation, leading to a class consciousness that would allow for a more equitable distribution of resources. Marxist Feminists realize that although the participation of women in the workforce has increased significantly, the significant gender pay gap and barriers to entry for women in the industry inhibits a true consciousness from arising (Monzo, 2016).

Therefore, it is important to support women entrepreneurs in creating their own social enterprises, as there are both micro and macro level benefits in doing so. In the following section, programs run by the government specifically targeting women entrepreneurs will be highlighted and the effectiveness of these programs examined.

**DISCUSSION**

The Udyogini scheme provides interest free loans to women of all divisions. The Dena Shakti scheme is a public sector banking scheme, where the bank provides a platform for women entrepreneurs to get business loans, and are available for a woman entrepreneur with higher than 50% ownership of a business enterprise. The Mudra Yojana Scheme is targeted towards smaller ventures and those in their early stages. The Stree Shakti Package for Women Entrepreneur is offered by SBI branches to women who have 50% share in the ownership. The Bharatiya Mahila Bank Business Loan provides special support to budding entrepreneurs in the retail sector. The Mahila Udhyam Nidhi Scheme was launched by Punjab National Bank, and aims at supporting the women entrepreneurs involved in the small scale industries by granting soft loans. The Orient Mahila Vikas Yojana Scheme was initiated by Oriental Bank of Commerce to those women who hold a 51% share capital individually or jointly in a proprietary concern. The Support to Training
and Employment Programme for Women (STEP) program was launched by the Government of India’s Ministry of Women and Child Development to train women with no access to formal skill training facilities, especially in rural India (Aranha, 2019; Goyal, 2011).

A survey of these various government programs for women and other policies that may be relevant for social enterprises shows that there has not been any specific policy which tackles social enterprises in isolation. Therefore, there has not been much of a focus on creating specific channels of funding for these enterprises. The Startup India initiative exists in most states of India, but it is generally geared towards the promotion of information technology startups and does not specifically target social enterprises (Startup India Portal).

While there are schemes specifically targeting women, these schemes do not address the root of the problem, being that rural women and those from low income areas often do not possess the literacy, or autonomy in the household to be making financial decisions. This greatly increases the risk of them being exploited, even if they were to receive the money. A study in the north east showed that women from low income areas still finance through their own sources without the resources to access government schemes or banks. (Sinha, 2003) It is further pertinent to note that the proportion of women entrepreneurs differs depending on the region of the country. The highest proportion of female-led social enterprises is in South India (35%), followed by North India (31%) and West India (23%), whereas it is much lower in East India (8%) and North-East India (3%) (British Council, 2016). Therefore, from a policy perspective, it is imperative for the government to assess the differing conditions in various regions of the country, and assess how to assist women entrepreneurs according to the specific context of the region.

In the following section, policy recommendations will be suggested to further improve upon the particular problems facing women entrepreneurs in the social enterprise sector.

CONCLUSION

It has been suggested that similar to some other Western countries, there be a distinct hybrid legal entity be established in India, to enable organizations to pursue both social and commercial objectives. Currently, the Companies Act 2013 only provides for companies to be able to invest in corporate social responsibility related activities. However, there is no separate legal entity that covers the social enterprise model. Therefore, most social enterprises incorporate as non-profit organizations, private companies or as two separate entities. This further limits the opportunities for funding that women entrepreneurs can receive. For example, government contracts under social programs are reserved for non profit organizations, while impact investment funding would usually be accessible to a private company (Salovaara & Wade, 2018).
These entities also carry with them historically gendered connotations. The non-profit sector has been considered a more ‘feminized’ domain as women are not expected to be the primary providers for their households. If policy and the law were to allow for a hybridized model, it would contribute largely to women not having to restrict the manner in which they found their ventures, and be able to obtain funding, support and recognition from multiple avenues, as well as change the typically gendered perceptions associated with the roles women are expected to perform in society (Salovaara & Wade, 2018; Kabeer, SOAS; Goyal, 2011).

Training programs for women to start their own businesses and become entrepreneurs, as well as brief them on the latest developments in industry and technology is another manner in which policy can aid women in their ventures. Creation of nodal centers with gender sensitized staff would assist women who lack awareness of these policies to then learn about them and subsequently avail of them (Goyal, 2011).

In order to ensure equal access to funding for women, policies must be enacted for women to receive grants and loans in smaller denominations, with lesser bureaucratic red tape and documentation. This effectively propels the growth of smaller social enterprises. NGOs such as PRADAN carry out savings led microfinancing activities for women from low income areas, stressing on group savings as a means of strengthening women's financial management skills (Goyal, 2011).

Combining financial empowerment and market integration in the social enterprise model must be coupled with conducting awareness programs to change ingrained mindsets, for there to be long term change in this sphere (Salovaara & Wade, 2018).

An additional policy recommendation is to move from an approach that focuses on growing individual enterprises to one that creates networks of women-led businesses. Surveys have shown that social enterprises run by women are on average, of a smaller size than those run by men. Data shows that on average, enterprises run by men are about two and a half times larger based on reported annual revenue (British Council, 2016). Factors that contribute to this are, among others, restrictions on women's mobility, the sectors in which they feel they may be able to start a business in an easier fashion, and domestic work that they are still expected to perform. However, there are a vast number of social enterprises run by women that create significant impact in their spheres.

Therefore, it would be far more beneficial to women entrepreneurs in rural and low income areas, if government grants and investment funding were not tied to scalability of individual organizations, but instead on a more collective approach that focuses on expanding a larger number in the community of women entrepreneurs. Such knowledge sharing would also have
significantly more positive effects in the long term and can serve the needs of a more diverse set of women, who will serve as resources not only for their own enterprises but for each other (Salovaara & Wade, 2018).

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