



A Study On Opportunities And Challenges For Women Entrepreneurship In A Digital Financial Landscape

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Abstract

Emergence of women entrepreneurs has led to an engendered perspective in realm of entrepreneurship. Women entrepreneurship is closely intertwined with instrumental societal and economic benefits. Despite the fact that women constitute nearly half of the population in India, their participation in entrepreneurial activities remains severely limited. Accelerating Women in Entrepreneurship is critical for the growth of the nation and need to equip women entrepreneurs with adequate support to succeed. FinTech has not only aided investments, but has eased many financial processes such as money transfers, bank account opening, demat account opening and many others. Everything being digital today, the ease of operations factor is undergoing a significant in recent times. The study is an attempt to decipher the concept, profile, and dynamics of women entrepreneurship in India in general and in Telangana in particular. The criteria for selecting the existing research on the topic included highly cited research studies on Women entrepreneurship specifically in the Indian context. The present study aimed at studying the opportunities and challenges of Women Entrepreneurship in the changing digital financial landscape.

Keywords: Entrepreneurship, Digital economy, FinTech, financial services, banks, etc.

INTRODUCTION:

India has emerged as one of the World's largest FinTech hubs, boasting more than 10,000 FinTech Companies and a cumulative funding of USD 17.9 billion since 2020. This underscores the sector's potential to drive financial inclusion across the nation.

Women Entrepreneurs have been the key players of the developing economy, contributing significantly to its growth. Women representation from the grassroots level to the top-notch positions ensures strong and structured pillar of the economy. Organizations with at least 30% Women in leadership roles are 12 times more likely to be in the top 20% for financial performance.

Women in leadership are known to demonstrate more transformational leadership styles, leading to better employee engagement and commitment to the organizations mission.

RISE OF FINTECH IN INDIA:

Fintech is a burgeoning sector and can offer immense growth potential to women leaders. The sector is expected to generate revenue of \$190 billion by 2030. Similarly, India has the second-largest MSME base in the world and the number of enterprises is expected to rise from the current 630 lakhs to 750 lakhs.

The rise of FinTech in india is not a mere coincidence it's supported by substantial evidence. India has emerged as one of the world's largest FinTech hubs, boasting more than 10,000 FinTech companies and a cumulative funding of USD 17.9 billion since 2020 This robust growth underscores the sectors potential to drive financial inclusion across the nation.

Financial inclusion is a critical component of a nations growth story.India, under the leadership of our Prime Minister Narendra Modi, aspires to become a USD 40 Trillion economy by 2047. One of the key pillars supporting this ambitious goal is “inclusion for all”. Over the past decade India has witnessed remarkable progress in this regard thanks to effective government reforms, the development of a robust tech ecosystem, and a renewed focus on Micro Small and Medium Enterprises (MSMEs) and entrepreneurship.

Objectives of the Study:

The following are the objectives of the study:

1. To identify the present status of Women Entrepreneurship.
2. To present the driving forces for the Women Participation in FinTech.
3. To present the possible ways to bridge the gap between Financial Institutions and Women Entrepreneurship.

PRESENT STATUS OF WOMEN ENTREPRENEURSHIP:

The present status of women entrepreneurship is a complex and dynamic landscape, marked by both significant progress and persistent challenges. The following are the positives and challenges for Women Entrepreneurship:

Positives:

- **Rising numbers:** Globally, the number of women starting and running businesses is steadily increasing. According to the Global Entrepreneurship Monitor (GEM), women now represent 38% of all entrepreneurs worldwide, with some regions like Latin America exceeding 50%.
- **Increased access to resources:** More funding, mentorship programs, and support networks are becoming available specifically for women entrepreneurs, helping them overcome traditional barriers like access to capital and business networks.

- **Impactful businesses:** Women-led businesses are often recognized for their focus on social impact and sustainability, contributing positively to communities and the environment.
- **Diversity in sectors:** Women are venturing into diverse sectors beyond traditional female-dominated fields, making significant contributions in technology, healthcare, and even traditionally male-dominated industries like manufacturing and construction.

Challenges:

- **Gender funding gap:** Women entrepreneurs still face a significant funding gap compared to their male counterparts, making it harder for them to scale their businesses.
- **Work-life balance:** Balancing work and family responsibilities remains a major obstacle for many women entrepreneurs, particularly those juggling childcare or eldercare.
- **Unconscious bias and discrimination:** Stereotypes and gender bias can limit opportunities and access to resources for women in the business world.
- **Lack of female role models:** The underrepresentation of successful women entrepreneurs can make it harder for aspiring women to envision their own success.

The present status of women entrepreneurship is one of cautious optimism. While challenges remain, the increasing number of women starting and running successful businesses, along with growing support networks and resources, points towards a promising future for women in the entrepreneurial world.

DRIVING FORCES FOR WOMEN'S PARTICIPATION IN FINTECH:

Skilling: The upskilling of women through various programmes and schemes has resulted in more women participating in the fintech revolution. Platforms such as **Women Entrepreneurship Platform (WEP)** by NITI Aayog offers a platform for women to access funding and incubation opportunities. Telangana's WE Hub serves as a state incubator for woman entrepreneurs providing funding incubation, and support.

Deepthi, CEO, WEHub, Telangana quoted that “Women entrepreneurship and finTechs form a dynamic partnership drives Social change and inspires the next generation of leaders. WE Hub become a breeding ground for transformative finTech ideas”.

Literacy and Connectivity: The percentage of women with higher education has increased from 12% to 32%. Approximately 47% of active internet users in India are females, enabling user access to information and opportunities

Funding: One of the major reasons that have led to the accelerated participation of Women in the funding schemes designed and curated especially for women. Initiatives like SIDBI in 2016 allocated INR 1,000 Crores for women-led startups. The Credit Guarantee Schemes offers coverage upto 85% for women compared to the standard 75%

BRIDGING THE GAP: FINANCIAL INSTITUTIONS AND WOMEN ENTREPRENEURSHIP

Financing remains a crucial roadblock for many women entrepreneurs despite their immense potential. Financial institutions are increasingly recognizing this gap and actively exploring ways to bridge it. The possible ways to bridge the gap between Financial Institutions and Women Entrepreneurship are as follows:

TAILORED LENDING PRODUCTS:

- **Microloans and flexible repayment options:** Traditional loan structures often pose challenges for women entrepreneurs with limited collateral or sporadic income. Microloans with smaller amounts and adaptable repayment schedules can make a significant difference.
- **Sector-specific financing:** Understanding the unique needs of women entrepreneurs in different sectors, like handicrafts or agriculture, can lead to the development of targeted loan products with more favorable terms and conditions.
- **Collateral-free loans:** Recognizing the limited asset ownership among women, exploring alternative models like group guarantees or character-based lending can unlock access to finance for more women.

BUILDING CAPACITY AND CONFIDENCE:

- **Financial literacy workshops:** Equipping women with financial management skills empowers them to make informed decisions about loans, investments, and business growth.
- **Mentorship programs:** Connecting seasoned entrepreneurs with aspiring women business owners provides invaluable guidance, support, and access to valuable networks.
- **Business development training:** Offering workshops on essential business skills like marketing, accounting, and operations can help women entrepreneurs build sustainable businesses.

BREAKING DOWN BARRIERS:

- **Addressing unconscious bias:** Training loan officers and other staff to identify and address implicit biases that can hinder women's access to finance is crucial.
- **Simplifying application processes:** Streamlining loan application procedures and using clear, accessible language can remove intimidating hurdles for women entrepreneurs.
- **Partnering with community organizations:** Building partnerships with NGOs and local women's groups can help reach those who may not have access to formal financial services.

TECHNOLOGY AS A CATALYST:

- **Mobile banking and digital wallets:** Providing convenient and secure access to financial services through mobile technology can empower women entrepreneurs in remote areas.
- **Online lending platforms:** Leveraging technology to streamline loan applications and approvals can make financing more accessible and efficient for women.
- **Financial planning and management apps:** Tools that help track income, expenses, and savings can give women entrepreneur's greater control over their finances and support their business growth.

Conclusion:

By proactively addressing challenges and implementing innovative solutions, financial institutions can play a pivotal role in unlocking the immense potential of women entrepreneurs. This partnership, built on mutual respect, understanding, and tailored support, can pave the way for a more inclusive and vibrant economy where women take centre stage. The specific ways financial institutions can support women entrepreneurs will vary depending on the context and resources available. However, by focusing on these key areas, we can create a world where women have the tools and resources they need to turn their dreams into thriving businesses.

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