

## Redefining Innovation: How Women Are Transforming Entrepreneurship in India

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Despite India's growing entrepreneurial ecosystem, women are still underrepresented. As per Ministry of MSME, only 20% of the micro, small, and medium enterprises (MSMEs) in the country are women-owned, with most of these ventures being informal or existing on a micro-scale. Even in the booming startup scene, the gap is enormous, less than 6% of startups have been founded solely by women. The numbers get even more less while looking at the unicorn founders, which are only 5 out of 136 founders in 2021.

In India, there are a number of social-structural and systemic problems that challenge women who want to become entrepreneurs. All new entrepreneurs deal with problems like intense competition and accessing to funding, but those problems are magnified and made more difficult for women in terms of gender biases and societal expectations.

Other barriers include the lack of role models and opportunities for mentorship, limited access to professional networks, safety while traveling or in workspaces, and the field's bias towards men for higher revenues, especially in sectors like construction or manufacturing. These barriers impact this cohort's mobility, opportunity, and the ability to scale their solutions (Baral et al., 2023).

However, women entrepreneurs are redefining what constitutes innovation. Beyond chasing profits, many women are establishing businesses that seek to create social impact, community development, sustainability, and inclusiveness. Whether that is frugal innovation, local empowerment models, or digital upskilling pathways, women-led ventures stem from empathy and purpose.

In industries that are already overlooked by mainstream entrepreneurship, such as menstrual hygiene, rural e-commerce, inclusive education, and green energy, women entrepreneurs are also bringing new market insights and integrated ways of thinking. Their thinking is shaping India's entrepreneurial narrative as they multitask responsibilities, connect with untapped underserved markets to solve local problems, and build trust at the community level.



Figure Source: Hindustan Times(2021)

The Government of India has recognized the need to empower women entrepreneurs, and launched numerous financial schemes like Mudra Yojana, Annapurna Yojana, Dena Shakti, and Mahila Udyam Nidhi Scheme (Startup India, n.d.).

The schemes have empowered women by offering low-interest, collateral-free loans to support and encourage women to start and scale their initial working enterprise. Ultimately, more awareness, easier access, and tailored mentorship support are required to make such schemes more effective.

Women entrepreneurs in India are leading not just a business revolution, but also a movement that is transforming entrepreneurship to be more empathetic, impact-driven, and sustainable. (Elam et al., 2024) While their innovations might not always be front-page news, they are helping change lives and changing what it means to lead today.



Figure Source: Global Entrepreneurship Monitor (2022)



Figure Source: @Ajaita\_shah on X

Falguni Nayar, founder of Nykaa, took a leap from the corporate world and built one of India's largest beauty and lifestyle platforms, now publicly listed on the stock exchange. Her journey is inspiring—it proves that age does not limit innovation and that women-founded digital platforms can thrive in hyper-competitive spaces.

By teaching women to sell solar lights and renewable energy goods as distributors in off-grid communities, Frontier Markets founder Ajaita Shah empowered hundreds of rural women. In underprivileged and impoverished areas, she produced jobs and offered long-term solutions.

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If we are going to redefine innovation the entrepreneurial ecosystem in India needs to be more inclusive not just in finance, also in mentorship, safety, visibility, and opportunities.

Universities, incubators, VCs, policy-makers, and more need to create together environments where women can thrive as business owners.

## References

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