



Women Entrepreneurship in India: A Comparative and Analytical Assessment Using GEM Indicators

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ABSTRACT

The participation of women in entrepreneurship is crucial for any economy to foster inclusive growth. This research by using data from the Global Entrepreneurship Monitor (GEM) for India found that the country experiences significant gender differences in the prevalence of early-stage entrepreneurial activity, attitudes, motivations and business survival which jointly suggest that the country still continues to observe gender gap in the entrepreneurial setting. Findings shows that women's TEA (Total Early-stage Entrepreneurial Activity) was lower compared to men's, leading to a low W/M ratio of 0.64 and position India amongst the highly gender-unequal ecosystems of the world. The Exit/Entry ratio for women was found to be high at the level of 1.40, implying that women had more difficulty in sustaining their ventures. Despite displaying the highest resilience and motivation, women entrepreneurs face the credibility gap and persistent paucity of financial resources which is requisite to their entrepreneurial pursuits and constitute the prime impediment. According to the research, gender-sensitive policies increasing access to finance, improving skills, and addressing socio-cultural barriers are essential for the sustained survival of women entrepreneurs in India.

1. INTRODUCTION

Women's entrepreneurship is equally important for a nation's economic development as that of men. Fostering female entrepreneurship is important, particularly for the job creation, innovation, and inclusive development. The global entrepreneurship still continues to show a significant gender gap, with women being less represented in the business ventures and facing more significant obstacles related to finance, skills development, mobility and institutional backing. In developing countries like India, these gender imbalances have been exacerbated by socio- cultural norms, structural barriers in the labour market and limited access to formal resources that effects women's ability to make decisions and engage in entrepreneurship

activities. The insights from the GEM report 2023, enrich depth to both global and Indian context. Women worldwide are approximately 5 percent less aware than men of the UN's SDGs; however, women entrepreneurs are slightly more likely to integrate sustainability considerations into their business strategies. Globally, 75.9 percent of women versus 73.2 percent of men report incorporating social sustainability, while 74 percent of women and 72.7 percent of men consider environmental sustainability in their strategic planning. More than half of all entrepreneurs' report practicing environmental sustainability measures, and more than three in five prioritize sustainability goals over economic objectives, women slightly more often than men. SDG awareness among women is highest in China,

Luxembourg, and the Netherlands, and substantially lower in India, Jordan, and Morocco. Yet Indian women along with those in Saudi Arabia, Brazil, Guatemala, and Thailand report some of the highest rates of prioritizing sustainability over economic goals.

Indian Government have formulated various schemes like financial inclusion initiatives and skill development programme for the growth of women-led enterprises, but women entrepreneurship activity remains lower as compared to men's and the sustainability of women-owned business remains a big challenge. The national level data reveals that Indian women are highly motivated, resilient and opportunistic but also women face barriers in the form of limited credit access, discrimination norms, inadequate networks and increased economic shocks. These factors create a very complex ecosystem in which women start entrepreneurship as a necessity rather than an opportunity, and where high discontinuation rates prevent long-term success. The objective of this study is to investigate the gender gaps in entrepreneurship in India through GEM data on women's participation, motivations, perceptions, and business sustainability. The analytical framework of this study is composed of three essential metrics:

a. W/M ratio: It is the female-to-male ratio, which is defined as the relative representation of women compared to their male counterparts in entrepreneurship. Of 1.0 reflects parity. If the figure is below 1.0, then women are underrepresented; for instance, a 0.68 ratio means there are 68 women entrepreneurs for every 100 men.

b. Total early-stage Entrepreneurial Activity (TEA): TEA is the percentage of people, aged 18–64 years, who are either nascent entrepreneurs or owner-managers of young businesses less than 42 months old. This measure can be considered as an indicator for the status of new business creation and participation in early-stage entrepreneurship.

c. Exit/Entry Ratio: This is the ratio of the rate of business discontinuation to the rate of new

business creation. A value of above 1 indicates that the entrepreneurial environment is fragile, with more business closures than formations, while values below 1 indicate a healthier climate that is supportive of business survival.

2. REVIEW OF LITERATURE

Minniti and Arenius (2003) reveals the gender gap continues to exist worldwide in entrepreneurship activity. Female are still far less likely than men to engage in entrepreneurship and also face financial constraints such as low start-up capital, low personal investment and greater dependence on banking finance. As a result, women-led enterprises tend to be smaller and grow more slowly, underscoring long-standing gender disparities in access to resources and opportunities for business expansion.

Fernandez et al. (2021) found that women entrepreneurs could have a higher capacity to pursue sustainable business activities and emphasized the need for new policies and programs to motivate women to start business and promote sustainability-oriented initiatives.

According to Noguera et al. (2013), fear of failure and perceived capabilities are most important socio-cultural factors on the probability of becoming a woman entrepreneur.

Daynard (2015) concluded that both men and women face similar barriers in entrepreneurship activity but women face additional gender specific constraints, particularly socio-economic disadvantages and legal biases such as unequal inheritance laws.

Samantroy and Toman (2018) found that entrepreneurship for women remains mostly a necessity-driven activity with limited scope for innovation. Decrease in the long-term entrepreneurship by women and an increase in women-owned entrepreneurs without hired workers reflects a high level of informalisation and vulnerability. Sectoral shift from agriculture to other services can provide opportunity to women greatly, if skill training and finances are provided.

Siddiqui (2012) highlighted that skilled women have lack of opportunities to showcase

their abilities. Major challenges that women entrepreneur face are family obligations, Gender inequality, Problem of finance, low-level risk-taking attitude, and the male - female competition.

Agarwal and Lenka (2018) reveals that several policies and development programs has been initiated by the Indian government to infuse the spirit of entrepreneurship among the women groups and thereby not only making them financially self-sustained but also to contribute to the economic growth. However, many gaps in achieving the goals due to the variety of factors also exist. The level of women entrepreneurship in India is very low as compared to other economies and also between the men and women entrepreneurs within the country, therefore, government role is very significant.

Koneru (2017) found that public policies of Indian government have only benefited a small section of female entrepreneurs, that was urban middle section. The study highlighted that women entrepreneurship has potential to boost economic growth, technology sector, and manufacturing in India, but drawbacks like women empowerment and lack of government initiatives limits it.

Sharma (2013) found that women entrepreneurs face challenges such as family ties, male dominant society, lack of education, societal barriers, financial access, lack of mobility, and many other. To reduce these challenges, role of government is very crucial.

Dhekale (2016) also discussed major challenges that women entrepreneurs face is overlapping of responsibility of business and family, financial constraints, education, risk involved, lack of information, lack of infrastructure and skills, and male dominant society, while emphasising on the role of SHG and government policies.

Baral et al. (2023) identified entrepreneurship education, networking, policies and business model as success factors for women entrepreneurs and work like balance, ease of entry, gender parity and socio-cultural factors are barriers to the business activity of female.

3. OBJECTIVES OF THE STUDY

- a. To explore the gender inequalities in entrepreneurship in India.
- b. To compare India's women entrepreneurship metrics with global benchmarks.

4. RESEARCH METHODOLOGY

For the purpose of this study, a quantitative descriptive research design was adopted. The data was sourced through secondary data from Global Entrepreneurship Monitor, GEM (2001-2023). GEM provides nationally representative samples of 18-64-year-old population and hence it emerged as a reliable gender disaggregated index for measuring entrepreneurship in India. Key indicators of interest within the analyses have included Total Early-Stage Entrepreneurship Activity (TEA), motivation types and perceptual measures, including perceived capability, opportunity recognition, fear of failure, and innovation orientation. Women constitute the primary focus, with men used as the comparison group, while selected GEM countries provide international benchmarks. The analysis uses descriptive statistics, trend comparison, and cross-country benchmarking, interpreted through entrepreneurship ecosystem and gendered institutional frameworks. High income countries such as South Korea, France, Germany, Switzerland, UK, Qatar, US, Saudi Arabia, and Canada and low-income countries such as China, India, Thailand, Brazil, Venezuela, and Iran were included to make country wise comparison.

5. INDIA'S COMPARATIVE POSITION: TEA AND EXIT/ENTRY RATIOS

Table 1 depicts gender differences in entrepreneurship data for India relative to other selected countries and income groups. The India TEA rate for women (9.3 percent) remains low compared to the TEA rate for men (14.6 percent), indicating the worst gender parity in the sample and far below the ratios obtained by Thailand, China, Qatar, Switzerland and Venezuela and some high- Income countries. India's

shortcomings become even more apparent when looking at the sustainability entrepreneurial. The Exit/Entry ratio of India is 1.40, indicating that higher rate for women than men and also places India as worst performer globally. In contrast, China, Qatar, France and Thailand have strong female owned business resilience, with female

quitting at the same (lower) rate than men. India's W/M TEA ratio and Exit/Entry ratio as compared to the high and low-income nations is less. Overall, the comparative analysis reveals deep-rooted social, cultural and structural barriers that limit women's access to entrepreneurship and affects stability of business in long-term.

Table 1: Comparative Analysis of India's TEA and Exit/Entry Ratios Against International Benchmarks, 2023

Country	TEA			Exit/Entry ratio		
	Women percent	Men percent	W/M ratio	Women percent	Men percent	W/M ratio
Brazil	14.7	22.8	0.65	0.77	0.51	1.52
Canada	15.3	24.2	0.63	0.57	0.49	1.18
China	7.3	6.3	1.17	0.42	0.68	0.62
France	9.0	12.5	0.72	0.31	0.34	0.90
Germany	5.9	9.3	0.64	0.44	0.30	1.46
India	9.3	14.6	0.64	0.45	0.32	1.40
Iran	8.8	10.7	0.82	0.53	0.54	0.99
Qatar	13.7	14.3	0.96	0.61	0.69	0.88
Saudi Arabia	23.0	27.1	0.85	0.36	0.31	1.14
South Korea	7.7	12.7	0.60	0.27	0.22	1.24
Switzerland	9.7	10.8	0.90	0.34	0.33	1.02
Thailand	24.5	22.8	1.07	0.27	0.31	0.89
UK	10.3	13.3	0.77	0.34	0.21	1.62
US	13.4	16.1	0.83	0.25	0.59	0.43
Venezuela	21.4	24.0	0.89	0.50	0.53	0.95
Sample Average	10.9	13.8	0.79	0.42	0.42	1.00
High Income Nation	10.5	14.4	0.73	0.38	0.43	0.88

Source: Global Entrepreneurship Monitor

6. LONGITUDINAL ANALYSIS: FEMALE-TO-MALE TEA RATIOS IN INDIA (2001–2023)

Table 2 shows the ratio of TEA among female to male in India has changed over time. In the early 2000s, the ratio started from a low at 0.31 in 2001, suggesting that women were significantly under-represented compared to men. It gradually improved, reaching 0.63 in 2002 and peaking at around 0.79 in 2006-2007. In this period, great progress has been made in closing

the gender gap. But, this ratio decreased again in 2008 and relatively stable until 2015, ranging between 0.45 and 0.58, reflecting that gender inequality persists despite progressive improvement. In 2017, this ratio jumped to 0.80, demonstrating a significant increase in entrepreneurship activity among women compared to men. In 2020, the rate of decline was 0.30, showing the disproportionate impact of covid19 pandemic on women's economic

Table 2: Female-to-Male Ratio of Total Early-Stage Entrepreneurial Activity in India (2001–2023)

Year	2001	2002	2006	2007	2008	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
F/M Ratio*	0.31	0.63	0.79	0.79	0.45	0.49	0.54	0.58	0.56	0.80	0.62	0.75	0.30	0.75	0.98	0.64

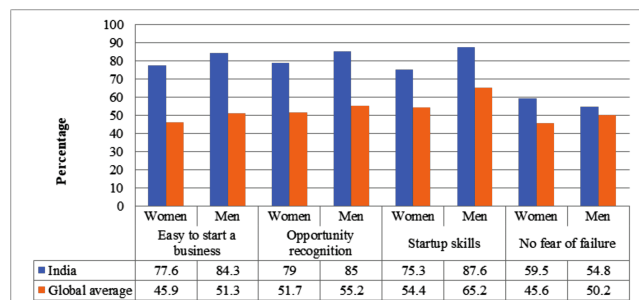
Source: Global Entrepreneurship Monitor *Female/Male Ratio of Total Early-Stage Entrepreneurial Activity (TEA) in India

opportunities. Since then. The ratio has recovered significantly, peaking in 2022 at 0.98, reflecting about equal participation of men and women in entrepreneurship. In 2023, the ratio was 0.64. The figures show a growing trend in women's entrepreneurship in India, with occasional volatility caused by border economic and social factors.

7. ENTREPRENEURIAL PERCEPTIONS: INDIA VERSUS GLOBAL LEVELS (GEM 2023)

Figure 1 compares perceptions of entrepreneurship in India with the global averages across four measures in 2023. In India, both men and women think that starting a business is easier, in comparison to the global average. But this also shows that there is gender-based difference in this regard. Similarly, business is recognised as opportunity in India by 79 percent of women and 85 percent of men, considerably exceeding global averages. Data reveal that the gender disparity in India extends to entrepreneurship skills, with 75.3 percent of women and 87.6 percent of men believing they are capable of establishing a firm, which is greater than the global averages. While this shows significant confidence, it also highlights the need for focused help to improve women's entrepreneurship skills. In contrast, fear of failure shows an opposite scenario. More Indian women, 59.5 percent, would not fear failure compared with men at 54.8 percent, against the global trend. This might thus indicate that Indian women may show more resiliency and risk tolerance in the face of other capability-related gaps. Overall, data show that India has a generally favourable

Figure 1: Entrepreneurial Perceptions and Gender Differences in India vs. Global Average, GEM 2023



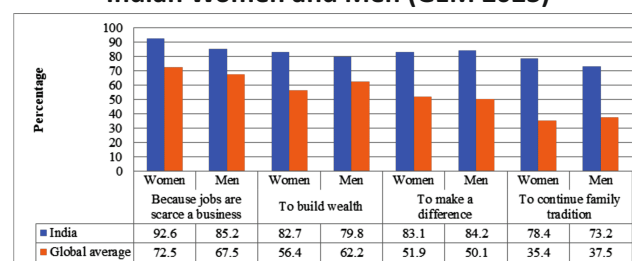
Source: Global Entrepreneurship Monitor

entrepreneurship environment with plenty of chances, despite continuing gender inequalities.

8. MOTIVATIONS FOR STARTING A BUSINESS: GENDER PATTERNS IN INDIA

Figure 2 shows that, for all major categories, Indian women consistently report higher motives for entrepreneurship than men. The main driver is job scarcity, which influences 92.6 percent of women and 85.2 percent of men, reflecting the structural obstacles women face in finding regular work, such as restricted mobility and sex discrimination, with many regarding entrepreneurship as an important alternative. The second important motive is wealth creation, with 82.7 percent of women and 79.8 percent of men wanting to increase their financial security and career prospects through business ownership. Thirdly, women also express a strong sense of useful motivation, with 83.1 percent wanting to 'make a difference', which, although slightly lower than for men (84.2 percent), is much higher than the global average. The greatest gender gap in motives relates to continuation of family tradition, reported by 78.4 percent of women and 73.2 percent of men, which suggests that women are more likely to start enterprises in situations where existing support structures make entry easier, but such circumstances might also reduce women's independence.

Figure 2: Motivations for Business Start-Up Among Indian Women and Men (GEM 2023)



Source: Global Entrepreneurship Monitor

9. GENDER BASED DRIVERS OF BUSINESS EXIT IN INDIA

Figure 3 depicts the gender-based patterns in business exit among Indian entrepreneurs and highlights the impact of structural constraints and contextual factors on

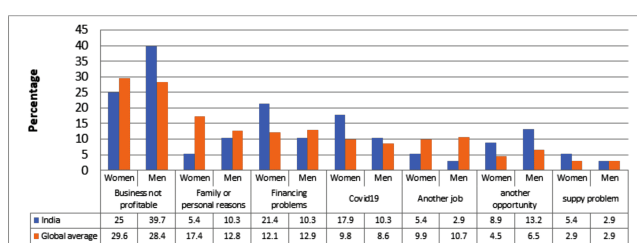
entrepreneurial sustainability. Unprofitability is the main cause of exits among men and women; however, it affects men more substantially, which testifies to men being more inclined to engage in high-risk or competitive sectors, while women just participate in relatively small-scale enterprises. Family or personal reasons account for 5.4 percent of women's exits, which is significantly lower than the global averages. This reflects stronger family support networks or greater alignment between women's job and domestic duties. The percentage of women who closed their businesses due to lack of money is 21.4 percent, which is almost twice the global average. The Covid-19 related disruptions have affected women more (17.9 percent) than men (10.3 percent), which implies that women are more likely to be in the sectors that are highly dependent on mobility and supply chain. Whereas men still have a higher inclination for an opportunity-driven exit, such as changing a job or starting a new business, which reflects more significant access to economic prospects. The general situation reveals that women are financially insecure, and the effects of external shocks weigh on them more than female entrepreneurs, who, on the other hand, are more

affected by competitive pressures and alternative opportunities.

10. CONCLUSION

The present study revealed that gender disparities have remained persistent and multidimensional in India's entrepreneurial environment over the time. The yearly GEM data provide a picture of women's representation in early-stage entrepreneurial activities that have continued to be low and a W/M ratio that has consistently been lower than the global benchmarks. The female Exit/Entry ratio suggests that women are not only less likely to become entrepreneurs but also face more difficulties in sustaining their businesses. The longitudinal trends from 2001 - 2023 shows a slow and uneven picture towards gender parity. During the period of COVID19, women's opportunities for entrepreneurship were more negatively impacted than those of men. Indian women's entrepreneurial intent was higher opportunity recognition, stronger motivation, and greater risk tolerance than the global female average. Financially, women are at risk, and any external shocks will affect them more, while male entrepreneurs will be more impacted by competitive pressures and alternative opportunities. These patterns reveals the ways in which socio-cultural norms and economic vulnerabilities have been working against the entrepreneurial activity of women. Addressing these issues is crucial and the implementation of targeted, gender-responsive policies is crucial to not only facilitate easier financial access but to also ensure skill development and more inclusive and resilient entrepreneurial .

Figure 3: Exit Drivers Among Women and Men Entrepreneurs in India Vs. Global Trends, 2023



Source: Global Entrepreneurship Monitor

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