

Building Prolific Entrepreneurship Ecosystems in ASEAN with Insights from India

Roundtable on Women Entrepreneurs: Focusing at the grassroots

Date: 27 January 2022

Time: 2:30 - 4:00 pm, IST / 4:00 - 5:30 pm, WIB

Background of the Study

This study is conducted by CIIE.CO and ERIA. The purpose of the study is to open collaboration and peer learning between India and ASEAN and share knowledge and tools relevant to entrepreneurship ecosystems in the South Asian region. As part of this study, four open virtual roundtables will be conducted with thought leaders and relevant industry experts from India and ASEAN. Each of the roundtables will be based on a theme which is relevant and important for the Indian and ASEAN entrepreneurship ecosystems.

Objectives of the Roundtable

With this fourth in the series of roundtables, we aim to introduce the Indian and ASEAN women entrepreneurship ecosystems to various stakeholders from the region, from the lens of startups as well as policy. We will be focusing on key initiatives and challenges in the ecosystem for rural women entrepreneurs and policies that would help them. We would be looking forward to achieving the following objectives in our moderated discussion.

- Discuss the need to focus on a women-centric ecosystem in rural India and ASEAN.
- Explore the emerging initiatives and innovative solutions from startups or social enterprises to leverage the livelihood/ women economy in rural areas.
- Explore the support of digitalisation to address the challenges of access to market for rural women entrepreneurs.
- Analyse gaps in terms of policy and regulatory framework and come up with actionable policy recommendations/interventions

Outcome of the Roundtable

Based on the roundtable discussions and secondary research, a policy brief will be published which can be used by policymakers, investors, incubators and other ecosystem stakeholders, to design and implement actionable policy interventions.

Speakers:

- Ajaita Shah – Founder and CEO Frontier Markets, India
- Chetna Sinha – Founder-Chairperson of the Mann Deshi Bank and Mann Deshi Foundation, India
- Denica Flesch – Founder and CEO of SukkhaCitta, Indonesia
- Lida Loem – Founder and Technical Advisor at SHE Investments, Cambodia

Moderator:

Trisha Ghoshal – Specialist – Insight, CIIE.CO

1. Rural women entrepreneurs in India and ASEAN

The Indian growth story can benefit immensely from the participation of women in the economy. Estimates show that closing the gender gap could lead to an increase of 6.8% in India's GDP and 16% by 2025¹. The majority of India's female's working age population has no paid work ² and despite the internet penetration in rural areas, 54% of women use internet and 20% are less likely to own a smartphone³; sharing a device with other family members. With just 2% women owning farmland in India⁴, many turn towards entrepreneurship to support their families or supplement incomes⁵. As per the Global Entrepreneurship and Development Institute (2015), India performs below the 20th percentile in the female entrepreneurship index. This is far below developed markets such as the US and UK, and developing markets such as Brazil, Russia and Nigeria⁶. Additionally, India, is ranked 52 out of 57 surveyed countries in the Index of Women Entrepreneurs. According to a World Bank Enterprise Survey, the percentage of women in leadership positions in 2014 was as low as nine percent although that may have grown to 20% according to more studies.

In 2019, women owned about 20% of enterprises in India employing about 22-24 million people⁷. Only 13% of the Small and Medium businesses are owned by women⁸. Almost 78% of all women-led firms are in the service sector with 98% of them being micro-enterprises⁹. Of all women-owned business 38% of these account for rural, non-farm businesses and 31% of them are concentrated in the urban parts¹⁰. Rural 'agripreneuers' or farm-based businesses account for 18% while 14% are small business owners spilt between rural (8%) and urban (6%) areas¹¹. Despite the government's push for encouraging women entrepreneurs, most of them face challenges in starting and funding their enterprises¹².

In ten ASEAN member countries, an estimated 61.3 million women entrepreneurs own and operate businesses — accounting for 9.8 per cent of the total ASEAN population.¹³ Female ownership is relatively high across the region wherein 2015 the proportion of firms with

¹ [Women entrepreneurs in India: What's holding them back? – Research article by www.orfonline.org](#)

² [Powering the Economy through her: Women Entrepreneurship in India – 2019 report by Bain & Company and Google](#)

³ [GSMA The Mobile Gender Gap Report 2020](#)

⁴ [Powering the Economy through her: Women Entrepreneurship in India – 2019 report by Bain & Company and Google](#)

⁵ [A landscape study on women entrepreneurship: Its challenges and impact on health, socio-economic security and family well-being outcomes of women entrepreneurs. EdelGive Foundation Report](#)

⁶ [A landscape study on women entrepreneurship: Its challenges and impact on health, socio-economic security and family well-being outcomes of women entrepreneurs. EdelGive Foundation Report](#)

⁷ [Just 20% of all enterprises in India owned by women, says report. Times of India.](#)

⁸ [Women run fewer than 13% of India's businesses. Here's why. Indiaspend.com](#)

⁹ [Increasing women entrepreneurs: Challenges and solutions. Business Standard](#)

¹⁰ [Just 20% of all enterprises in India owned by women, says report. Times of India](#)

¹¹ [Just 20% of all enterprises in India owned by women, says report. Times of India](#)

¹² [Grassroots Female Entrepreneurs: Rural and urban small business groups in India. Harvard Case Study.](#)

¹³ [Global Entrepreneurship Monitor ASEAN Regional Entrepreneurship Report 2015/2016](#)

female participation in ownership was 69 per cent in the Philippines, 59 per cent in Viet Nam and 43 per cent in Indonesia.¹⁴

However, women in the ASEAN continue to face pivotal barriers in the set-up, management and expansion of their businesses, especially when it comes to equal access of resources and technology distribution between the urban and rural areas. While urban SMEs tend to be more connected and have more capable employees, the enterprises in rural areas are more likely to have less capacity in business process management, human capital, technology and digitalisation.

Technology and digitalisation play a critical role to leverage women-led SMEs, yet ASEAN members have yet to distribute this evenly. For instance, Malaysia has a high result of internet and mobile phone access in households – 90.1 percent and 98.2 percent respectively in 2019.¹⁵ However, internet access in Malaysia is not uniform, with rural areas and East Malaysia experiencing lower adoption rates and slower connectivity, compared to urban Peninsular Malaysia. In Indonesia, while digital platforms are abundant, the rapid internet penetration of the last two decades has yet to benefit the majority of the population. Like Malaysia, inequitable access to information technology in the country's rural and remote areas is a prominent concern for Indonesia. In addition, for rural women entrepreneurs in ASEAN, constraints are not only network quality and coverage, but also the lower technical literacy and lack of confidence in using technology.

Similar to India, agriculture remains an important source of employment for ASEAN women. On average, the agriculture sector employs 26.7% of all working women in ASEAN.¹⁶ In addition, ASEAN women living in rural areas are more likely to be self-employed than women living in urban areas. Whilst there is opportunity to leverage this sector and boosting more women entrepreneurs in other areas, ASEAN member needs to strengthen policies – including public-private partnership cooperation, to reduce the barriers that prevent an equal access of opportunity for rural women entrepreneurs.

2. Challenges faced by rural women entrepreneurs

Indian and ASEAN women face a number of challenges in starting up and running their own ventures. These challenges are accentuated at the rural/grassroots level where resources are scarce and stereotypes more pronounced. Following are some of the main challenges faced by rural women entrepreneurs.

Education

Women's entrepreneurship was found to be geographically more concentrated in states like Mizoram, Orissa, Karnataka, Goa, Lakshadweep, Kerala, Tamil Nadu and Pondicherry, the share of women employment was significantly more than 20%¹⁷. Women's entrepreneurship was high in Kerala, Karnataka, Tamil Nadu and West Bengal¹⁸. These are

¹⁴ [UNESCAP, Fostering Women's Entrepreneurship in ASEAN: Transforming Prospect, Transforming Societies](#)

¹⁵ [The Path to Success: How Women-owned Business Transform in the Era of Digitalisation. The Case of Cambodia, Indonesia, Myanmar](#)

¹⁶ [Strengthening Women's Entrepreneurship in Agriculture in ASEAN Countries](#)

¹⁷ [Ministry of Statistics and Program Implementation. Sixth Economic Census, India. Chapter 6](#)

¹⁸ [Women Entrepreneurs in India: What's holding them back? – Research article by www.orfonline.org](#)

also states with higher percentage of women's literacy in the country, thus directly impacting women entrepreneurship in the country. In ASEAN, although the data show that school attendance by girls in ASEAN countries has improved recently, literacy rates remain relatively low among rural women. OECD study finds that low literacy levels act as one of the main impediments hindering the uptake of rural entrepreneurship and business training by rural women in ASEAN.¹⁹

Low confidence in business skills

Women are found to have low self-confidence in their business skills²⁰. The belief might be reiterated from negative attitudes towards women entrepreneurs in the macro-ecosystem. Lack of confidence is particularly acute especially when women entrepreneurs need to adapt to new technology and go digital to expand their business.²¹

Access to resources

Women entrepreneurs have less access to credit, market and technology than their male counterparts²². They struggle with getting funds/loans/credit due to cumbersome procedures and lack of collateral. While the Indian government has launched some schemes benefitting certain groups, women in rural areas have little awareness of the same. When credit is accessible (through SHGs or loans), other challenges such as access to markets and technology for marketing make it difficult for women to grow their businesses²³. In ASEAN, access to credit and financial services are one of the longstanding challenges for rural women entrepreneurs. The assessment of creditworthiness and equal opportunity to capital is hard to be achieved by rural women entrepreneurs – especially in the absence of prior credit history and/or digital footprints. However, many emerging startups are beginning to offer solutions with P2P lending and offering financial inclusion across the village.²⁴ In addition, many emerging social enterprises provide grants and microcredits given to rural women entrepreneurs to help them boost their village economies.²⁵

Culture and stereotypes

Cultural norms and stereotypes make it difficult for women to break existing moulds. The domain of business is dominated by males making it very difficult for women to make entry. In some cultures, a woman working for money is a reflection of her spouse's inability to provide and therefore, women are discouraged from taking up jobs unless it's viewed as a hobby or past-time. Unconscious biases in younger women²⁶ often perpetuate expected behaviour and norms and prevent women from accessing dependable family support for childcare.

3. Gaps and challenges in the rural women entrepreneurship ecosystem

¹⁹ [OECD, Strengthening Women's Entrepreneurship in ASEAN](#)

²⁰ [Women Entrepreneurs in India: What's holding them back? – Research article by www.orfonline.org](#)

²¹ [ADB, Emerging Lessons on Women's Entrepreneurship in Asia and the Pacific](#)

²² [Grassroots women entrepreneurs need help. Business Line.](#)

²³ [Grassroots Female Entrepreneurs: Rural and urban small business groups in India. Harvard Case Study.](#)

²⁴ [Amartha Secures USD 28 Million Funding Led by Women's World Banking](#)

²⁵ [Empowering Women. Why Gender Inclusive is Key to Lasting Development](#)

²⁶ [Women entrepreneurs in India: What's holding them back? – Research article by www.orfonline.org](#)

This is an exciting time both for the ASEAN and Indian startup ecosystem²⁷ however rural women entrepreneurs are a long way behind²⁸. Domestic duties clubbed with limited opportunities are the main barriers that stand in the way of rural women and overcoming them would also mean standing up against a culture that is generally dismissal of women in business. Given that 90% of women entrepreneurs in India are engaged in the informal sector²⁹, it is imperative to focus on small enterprises. According to the World Economic Forum's Global Gender Gap Report 2021, India ranked 140th out of 153 countries while women contributed 18% to the GDP compared to the global average of 37% with only 14 percent of women opting for careers as entrepreneurs.³⁰ India has a large number of Self-Help Groups (SHGs)³¹ and NGOs.

Entrepreneurial intentions among women are already high and women-led businesses are likely to do just as well as compared to men³²; however, it's imperative and urgent to foster an ecosystem that facilitates women entrepreneurs. In India, the challenges towards achieving a higher participation of women in entrepreneurship; especially at the grassroots level, would encompass a variety of issues. Thus, it is time to mobilise players at the macro level in the ecosystem—the government and local authorities, on-ground NGOs, financial institutions, counsellors, gender experts, ASHA workers, self-help groups, media channels, policymakers and legal experts to boost India's rural entrepreneurship ecosystem.

In the same light, the drive and participation among ASEAN women to become entrepreneurs are increasing over the year – evidenced by emerging women startups founder and social enterprises that focus to tackle grassroots issues.³³ For many women-led SMEs in ASEAN, especially in rural areas, lack of access to the same digital opportunities or gender digital divide is still hampering women to scale up their business. While ASEAN Member States (AMS) have developed policies and initiatives to support women's economic empowerment over the last decade, addressing the challenges of the digital gender divide should take into consideration policy strategies for rural areas.³⁴ In addition, the disproportionate impact of the pandemic on women calls for greater attention to protect rural women's livelihood including their economic sustainability and legal protection. Supporting social enterprises that focus on women and their community through an inclusive and resilient creative economy is becoming more critical for a sustainable post-pandemic recovery.

²⁷ [India becomes third largest startup ecosystem in the world. Times of India](#)

²⁸ [What India needs to boost women entrepreneurship. Forbes India](#)

²⁹ [Women entrepreneurs in India: What's holding them back? – Research article by www.orfonline.org](#)

³⁰ [What India needs to boost women entrepreneurship](#)

³¹ [Self help group potential can help can boost rural production and consumption](#)

³² [Women entrepreneurs in India: What is holding them back?](#)

³³ [ERIA News, Leading Digital Entrepreneurs with Woman's role in E-commerce, ESI Webinar](#)

³⁴ [ERIA Policy Brief, Women's Participation in the Digital Economy: Improving Access to Skills, Entrepreneurship, and Leadership Across ASEAN](#)