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Women Entrepreneurship and GST- Opportunities, Constrains and Gendered impact across regions

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Abstract

Naturally, when we talk about women's empowerment in India what we refer that women must need to be aware of their rights like the right to vote, property rights, freedom of movement, their legal rights, and many more, which means, empowering women is making women realize their self-worth, their abilities to determine their own choice and shaping the society where women can enjoy their respect and rights just like other humans. Women's empowerment is an essential factor that works for the betterment and development of society, community, and country. Women's empowerment in India is the least concern of society because of gender biasness. It is believed that the problem with literacy, population, and health issues won't be solved until there's any solution for the gender biasness so that women can take a free part in building a society and a community where everyone's rights and demands will be paid attention to. If we pay more attention to how women's empowerment in India got momentum throughout the years, from the ancient to the modern period. Over time, Indian society has witnessed many up rises and downfalls when it came to empowering women. GST for MSMEs and Women Entrepreneurs are Formalization of Businesses, Wider Market Access, Input Tax Credit (ITC), Improved Access to Finance, Boost to Digitalization. GST has significantly impacted women entrepreneurship in India by streamlining tax compliance through a unified system, although it presents initial adoption challenges. While no exclusive GST rates exist for women-owned businesses, they benefit from lower compliance burdens, input tax credits, and various government schemes (e.g., Stree Shakti, TREAD) designed to boost female-led MSMEs.

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Key words: Women empowerment - Women entrepreneurship - Women in society - Local Women - Growth of women

Introduction:

Women entrepreneurship and GST-opportunities, constrains and gendered impact across regions The Goods and Services Tax (GST) is a comprehensive, multi-stage, destination-based indirect tax introduced in India on July 1, 2017. It replaced numerous central and state taxes (like VAT, excise duty, and service tax) with a single tax, streamlining the supply chain and taxing only the value added at each step.

Women empowerment is the process of enabling women to gain control over their own lives, make informed decisions, and access equal opportunities in all aspects of life, including social, economic, and political spheres. It involves fostering self-worth, ensuring access to resources, and challenging unequal power structures.

Women entrepreneurship refers to businesses owned, managed, and controlled by one or more women, typically holding at least 51% of the capital and employment. It involves women identifying business gaps, taking risks, and fostering innovation, driving economic growth, and creating jobs while overcoming social and financial barriers.

The Goods and Services Tax (GST) promotes women entrepreneurship and empowerment by simplifying tax compliance, lowering operational costs through input tax credits, and enabling easier interstate trade. By reducing the cascading effect of taxes and establishing a uniform digital tax system, GST helps women-owned MSMEs expand markets and improve financial efficiency, despite challenges in adapting to new technology.

Women entrepreneurship is a critical driver of social and economic development, with women owning roughly one in four businesses globally. In India, women-led enterprises account for 13.76% of all businesses, providing over 13 million jobs. Key support initiatives like NITI Aayog's WEP and Startup India focus on financing, training, and bridging the gender gap to foster sustainable, growth-oriented ventures

The increasing presence of women as entrepreneurs has led to significant business and economic growth in the country. Women-owned business enterprises are playing a prominent role in society by generating employment opportunities in the country, bringing in demographic shifts and inspiring the next generation of women founders.

With a vision to promote the sustainable development of women entrepreneurs for balanced growth in the country, Startup India is committed towards strengthening women entrepreneurship in India through initiatives, schemes, creation of enabling networks and communities and activating partnerships among diverse stakeholders in the start up ecosystem.

GST has significantly impacted women entrepreneurship in India by streamlining taxes, offering reduced rates for women-owned MSMEs, and enabling easier market access. While it reduces cascading taxes, challenges include high compliance costs and complex filing for small-scale ventures. Key benefits include 25% reduced tax rates for qualifying women-led MSMEs

Women-owned MSMEs with annual turnover exceeding 50 crores can get a reduced tax rate of 25% under Section 115BA. There are also direct tax benefits of female-owned businesses. Eligible MSMEs can claim income tax exemptions under Section 80J, for up to seven years from incorporation.

Women Entrepreneurship and GST – Opportunities

GST offers women entrepreneurs in India expanded market access by removing state-level barriers and improved access to formal finance through structured registration. It simplifies compliance, enhances business legitimacy, and enables input tax credits, reducing costs. Key opportunities include utilizing government schemes like Mahila Udyam Nidhi, Annapurna Scheme, and MSME initiatives to overcome initial capital hurdles and leverage technology

Key Opportunities for Women Entrepreneurs under GST:

1. **Market Expansion:** Elimination of state-level taxes allows women to sell across India without cascading tax burdens.
2. **Formalization and Finance:** Registration builds business credibility, facilitating easier access to bank loans and capital for expansion.
3. **Input Tax Credit (ITC):** Businesses can claim credit for taxes paid on raw materials, reducing overall production costs.
4. **Simplified Compliance:** Small businesses owned by women can leverage composition schemes, simplifying filing processes.

Government Support & Schemes:

Mahila Udyam Nidhi: Offers financial assistance for small-sector businesses up to ₹10 Lakhs.

3 **Annapurna Scheme:** Supports food-based businesses with loans up to ₹50,000.

4 **MUDRA Yojana:** Provides funding for micro and small-scale, women-led startups.

5 **MSME Support:** Offers, in some cases, 100% stall rental reimbursement for

participation in trade fairs, boosting marketing efforts

While the transition to GST presents challenges like increased compliance costs, it encourages the adoption of digital technologies, strengthening operational management, notes and. Increased awareness of GST rules can lead to better management and long-term sustainability for women-led businesses.

Women Entrepreneurship and GST – Constraints

Women entrepreneurs face significant GST-related constraints, including high compliance costs, complex, frequent filing procedures, and cash flow issues due to input tax credit delays. These challenges are compounded by the digital divide in rural areas and limited access to professional tax advisory services.

Key constraints for women entrepreneurs under GST:

1. **High Compliance Costs & Complexity:** Hiring accountants, purchasing software, and training staff imposes a heavy financial burden on small, women-led enterprises.
2. **Operational Disruption:** Shifting from the old tax regime to the new, complex GST system was challenging, causing disruption to business cycles.
3. **Cash Flow Constraints:** Delays in receiving Input Tax Credit (ITC) hinder working capital availability.
4. **Technological Barriers:** Many face challenges with digital literacy and reliable internet connectivity, crucial for online filing.
5. **Lack of Training & Knowledge:** A lack of understanding of complex tax laws and frequent changes in regulations.
6. **Limited Access to Advisory Services:** Lack of professional tax guidance and networks, especially for those in smaller towns.
7. **Societal/Structural Barriers:** Gender-specific obstacles, such as lower access to credit for financing tax compliance, exacerbate the impact of GST

Key Mitigation Measures:

1. Leverage Government initiatives to support MSMEs.
2. Participate in training and capacity-building programs to understand GST regulations.
3. Utilize professional networking and mentorship opportunities.
4. Explore financial tools designed for women, such as Kinara Capital

CONSTRAINTS TO WOMEN ENTREPRENEURSHIP

Gender biases has been prevalent in the economy since ages. Women are always seen as homemakers and Men are considered as Bread earners. Role of women is confined within four walls which lead to marginalization of the economy. Lot of

hardship is faced by women when they start living their life on their terms. Entrepreneurship is considered as a catalyst for the growth of the economy. When men and women are treated equally only then the growth and development of the economy will be possible. There are various problems faced by women like Indian culture and traditions, Lack of education, Poverty, Continued marginalization of Women because of Government apathy, Gender inequalities etc. Educational: The majority of the rural population is uneducated, necessitating on-the-job training in their native language, as they are considered to be less creative in their thought (Jayadatta, 2017). India's education system is far behind most of the employment opportunities (Santhi and Kumar, 2011).

While the impact of education on entrepreneurship is up for debate and education does have an effect on entrepreneurship and entrepreneurial motives (Goel and Farooque, 2014). In terms of education, it is critical to vindicate the role of educational institutions in the growth of entrepreneurial competencies as well as fundamental skills needed to manage a company (Guerrero and Alberto, 2020). Women especially in rural areas who own micro and small businesses have dearth of experience and inadequate education, due to which they possess fewer chances of success. They work to supplement their family's meagre income side by side hauling out their responsibility towards family. In between they got no time for enhancing their abilities. This poses a greater challenge in front of women as they begin their enterprises without the necessary expertise and skills (Loveline et.al, 2014). Quality of training provided is not so commendable and one of the main concerns is that entrepreneurship is not regarded as a subject in most of the educational institutions Guerrero and Alberto (2020). Lack of information is one of the prudent challenges that women face as they do not have information about markets, training programs and policies launched by the government (Rathna et.al, 2016) Muslims in rural areas have a different perspective on thesignificance of learning; formal education is regarded peripheral among them. Due to low education levels among teenagers, adolescents, and adults possess greater challenges in front of them to excel in enterprise.(Muhammad et.al, 2015). According to some researchers, women are much more likely than men to be driven into entrepreneurship because they have no other feasible job options due to marginally lower levels of qualifications, possess fewer work experience, or more employment hassles. (Coleman & Robb, 2012; Kelley et. al.) Financial: Inadequate funding from banks is one of the primary causes of Micro Enterprise finance issues (Nishanth and Zakkariya ,2014) The key issues confronting this enterprise are banks' unwillingness to lend credit to women, an inability to provide sufficient protection and margin capital,

and a tight repayment period (Rao & Ganesh, 2011; Nishanth and Zakkariya, 2014). Availability of finance is critical for startups and is always a problem to get sufficient amounts. A numerous options ranging from loans, etc. the requirement of more cash starts increasing as the business progresses. (Thippeswami and Poojitha, 2020). Starting Business on credit is one of the key problems faced by the early stage entrepreneurs in India. Getting financed by the Banks is still tough, after a lot of practices of the governments. There are some more ways of funding like venture capital, angel funding, and private equity which are becoming popular these days, but still institutional finance is not able to meet the entrepreneurial demands.(Goel and Farooque).

Competition: Rural entrepreneurs face stiff and severe competition from large sized organizations and urban entrepreneurs. They incur high cost of production due to high input cost. The problem of standardization and competition from large scale units are some of the major problems faced by marketers. For the survival of new ventures competition from large scale units also creates difficulty. New ventures have limited financial resources and hence cannot afford to spend more on sales promotion and advertising. This indicates a major problem with the public distribution system. The producers too are not collective in their approach for marketing their products because they are too widely scattered and uneducated. Women are frequently encouraged to stay longer at official meetings, resulting in unnecessary delays in receiving responses to their inquiries (Roomi and Parrott, 2008). It has been seen that women entrepreneurs who become the owner of micro small and medium enterprises experience a dearth of demand for their products and they also do not pay attention towards increasing their market areas. As previously stated, women have mobility issues due to a variety of factors. Some are dependent on middle traders who buy their products at significantly lower prices than the market price. Furthermore, the findings revealed thatchallenges like high competition, untrustworthy suppliers, etc. are having a negative impact on the respondents' businesses (Loveline et.al, 2014).

Women Entrepreneurship- Gendered impact across regions

Women entrepreneurs, while driving economic growth and community development, face distinct, gendered challenges that vary by region. Globally, women are more likely to be solopreneurs or run small-scale, lower-margin businesses compared to men. In developing regions like Sub-Saharan Africa and rural India, women often face stricter social constraints, limited financial access, and smaller-scale ventures, while in developed nations, the gender gap is often characterized by lower participation in high-growth, male-dominated sectors (e.g.,)

Gendered Impact and Regional Variations

Developed Nations/OECD: Women are 1.5 times less likely than men to start businesses, with lower representation in high-profit sectors, a phenomenon termed "profitarchy".

Developing Economies (Sub-Saharan Africa/Latin America): High rates of female entrepreneurship are often driven by necessity, leading to high-volume micro/small enterprises (MSEs) with high closure rates.

India's Gendered Landscape: Women own ~20% of proprietary MSMEs. Entrepreneurial activity is regionally skewed, with higher participation in Southern and Northeastern states and lower in Northern states, often influenced by local cultural attitudes and infrastructure.

Gendered Challenges and Barriers

Access to Finance & Resources: Women face greater obstacles in securing loans and accessing capital, particularly in developing regions.

Socio-Cultural Norms: Restrictive gender norms, limited mobility, and, in some cases, limited educational opportunities hinder growth.

Sector Concentration: Women are often concentrated in less profitable sectors (e.g., service, retail) compared to men

Initiatives taken by Government to Promote Women Entrepreneurship

The Indian government promotes women entrepreneurship through dedicated financial, mentorship, and marketing initiatives aimed at bridging the gender gap in business. Key programs include the **Women Entrepreneurship Platform (WEP)**, Stand-Up India, Mudra Yojana, TREAD, and Mahila-E-Haat, which provide collateral-free loans, training, and support services to enhance women's economic participation

Key Government Initiatives for Women Entrepreneurs:

Financial Support & Loan Schemes:

Stand-Up India Scheme: Facilitates bank loans between 10 lakh and 1 crore to at least one woman borrower per bank branch for setting up greenfield enterprises.

Pradhan Mantri Mudra Yojana: Provides collateral-free loans up to 10 lakh to women for micro/small enterprises.

Cent Kalyani Scheme: Offers loans up to 1 crore for women in small-scale industries/agriculture with no collateral.

Mahila Udyam Nidhi Scheme: Provided by SIDBI to support women entrepreneurs in setting up new ventures.

Stree Shakti Package: Offers, interest rate concessions and loans for women-owned businesses.

TREAD Program: Provides financial assistance and training to women in rural/semi-urban areas.

Platform & Mentorship Initiatives:

Women Entrepreneurship Platform (WEP): Launched by NITI Aayog to empower women by providing mentorship, training, and financing support, registering over 26,500 beneficiaries.

Mahila-E-Haat: A bilingual marketing platform run by the Ministry of Women and Child Development to enable entrepreneurs to sell their products.

Skill Development & Special Schemes:

Udyogini Scheme: Empowers women from rural and urban areas to establish micro-enterprises through financial aid.

Mahila Coir Yojana: Promotes women's participation in the coir industry through training and support.

Atal Innovation Mission (AIM): Fosters innovation and entrepreneurship, including special focuses on women-led innovations.

Swavalambini Women Entrepreneurship Programme: A joint effort to equip students in Higher Education Institutions with an entrepreneurial mindset

These schemes focus on easing credit access, reducing technical hurdles, and offering subsidies to boost women's presence in the MSME sector

Women entrepreneurship V/s Men Entrepreneurship

Aspect	Women Entrepreneurship	Men Entrepreneurship
Definition	Businesses owned and managed by women	Businesses owned and managed by men
Motivation	Often driven by necessity, work-life balance, social impact	Often driven by profit, growth, and market dominance

Access to Finance	Limited access to funding, face more barriers in loansand investment	Easier access to capital, stronger investor networks
Risk-Taking Ability	Generally more cautious and calculated	More willing to take high risks
Business Sectors	Concentrated in retail, education, healthcare, services	Dominant in manufacturing, tech, construction, large-scale industries
Work-Life Balance	High priority due to family responsibilities	Comparatively lower emphasis
Networking Opportunities	Limited due to social and cultural constraints	Wider and stronger business networks
Leadership Style	Collaborative,participative, empathetic	Assertive, competitive, directive
Growth Orientation	Focus on stability and sustainability	Focus on rapid growth and expansion
Challenges Faced	Gender bias, societal expectations, limited mobility	Market competition, financial risks
Decision Making	Inclusive and consensus-based	Quick and independent decision-making
Innovation Approach	Often focused on social innovation and community needs	Often focused on technological and market innovation
Support Systems	Relies more on family and government schemes	Relies more on professional networks and investors

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Women empowerment in gantavoor (V) Palamaner(M) town

One of the most prominent trade places of chittoor district is Palamaner mandal, in the town there is a village named Gantavoor, in the name itself we can find Ganta means Bell(Soil Clay Bell) vooru means village. Here we can find more women who found there won employment using soil clay, using soil clay they made wonderful artistic ideals.

Andhra Pradesh's famed Palamaner Terracotta is set to chisel its place on the geographical indication (GI) map of India, with the artisans of Palamaner in Chittoor district filing a GI application to protect their unique traditional craft.

The application was filed by the Palamaner Terracotta Pottery Artisans Mutually Aided Co-Operative Society Limited, which represents 40 families engaged in this intricate craft. They received funding assistance from NABARD and support from the Hyderabad-based Resolute Group.

"The craft was practised in Palamaner since the time of the Pallava dynasty, but they (artisans) don't have any documentary proof. Currently, only 40 families are practising this craft and carrying on the tradition," said GI practitioner Subhajit Saha of Resolute Group, who helped the artisans file the GI application.

Known for its intricate detailing and functional utility, Palamaner Terracotta is a centuries-old craft involving meticulous hand-moulding of pure, high-quality clay. The artisans carve out intricate patterns on the clay to create decorative sculptures, utility items, and innovative eco-friendly products ranging from miniature figurines to large sculptures depicting elephants, horses, deities, and vases.

"The craft's distinctiveness lies in its use of locally sourced, impurity-free clay, which ensures durability and a fine finish. Over the years, Palamaner Terracotta has evolved to meet contemporary needs while retaining its traditional essence," Saha said, adding that a notable innovation is the terracotta compostable bin, which emerged as an eco-friendly alternative to plastic dustbins.

"The GI application seeks to safeguard the authenticity of Palamaner Terracotta, protect the artisans' intellectual property, and enhance its marketability. Securing the GI tag will empower local artisans, preserve their legacy, and promote sustainable development," he added.

The Palamaner Terracotta is the 12th GI application to be filed in the country for terracotta craft, as per the Geographical Indications Registry website. The logo for the GI application was designed by the Resolute Group team in-house.

While four terracotta GIs – Villianur Terracotta Works, Bankura Panchmura Terracotta Craft, Gorakhpur Terracotta, and Assam Asharikandi Terracotta Craft – have

already been registered in the country, the application of one of these 12 – Terracotta of Pen – was rejected. The remaining seven applications are all under various stages of the GI granting process. These include Subarnapur Terracotta Craft, Barpali Terracotta Roof Tiles, Bastar Terracotta, Darbhanga Terracotta & Pottery Craft, and Haladhapur Terracotta Craft.

Pointing out that the Palamaner Terracotta application, which is numbered 1467, is the latest application to be filed in India which has 658 registered GIs so far, Saha said there are another five to six applications in the pipeline to be filed from AP and another six to seven from Telangana.

Hyderabad: Andhra Pradesh's famed Palamaner Terracotta is set to chisel its place on the geographical indication (GI) map of India, with the artisans of Palamaner in Chittoor district filing a GI application to protect their unique traditional craft.

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Suggestions & requests to the Ministry of Culture. Govt. Of Andhra Pradesh:

1. Provide 0% interest loans in the name of Govt. Schemes To support and encourage the Women of Terracotta.
2. Provide technical guidance to the women in digital marketing in expanding their business into global level.
3. Include trainings to students through Internship training programs to encourage students community to have aware of these arts, and to continue this sector by future pillars of the society i.e. the youngsters

Apart from the subject, nowadays too many women community people are coming into the society to create their own Identity. It is very nice to have them in our culturally diversified society, still in a few areas of the country women are not joining their hand in the process of development of individual women and society.

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