

# Incubating Change in India: WE Hub's Role in Advancing Women-Led Startups in Telangana State

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## ABSTRACT

Economic growth can be inclusive when gender empowerment is in its place and women's entrepreneurship takes off. The socio-economic status can be enhanced by empowering women to become entrepreneurs and contribute to the generation of employment, national productivity and poverty reduction. The Indian government took initiatives such as the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) and Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-G

upgrade and restore the skills. They are structured in such a way to address not only skill gaps but also systemic and market barriers that women face in starting and scaling businesses.

### **Development of Skill and Entrepreneurship in India:**

The Indian government took initiatives such as the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) and Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY), which aim to provide market-oriented vocational training to youth, including women. The Skill India Mission has enrolled over 40% female candidates in its short-term training programs as of 2022. The basic concern is that the type of training offered to women is often in traditional, low-growth sectors such as tailoring or beauty services, rather than high-growth, non

development and entrepreneurial activity. Women in China make up 44% of the workforce, but they are underrepresented in high-skill, high-wage sectors, particularly in STEM – science, technology, engineering and mathematics fields, as per the World Bank. Women in China account for approximately 25% of business owners. Here in China, as well, many of them operate in micro- or informal enterprises. They face constraints such as restricted access to credit, lower investor confidence and very less opportunities for mentorship, more so in technology and manufacturing sectors. Women's participation in formal entrepreneurial ecosystems remains considerably lower than men. Along with the challenges, China has introduced national-level programs to improve women's economic empowerment. "Women's Entrepreneurship and Innovation Program" is launched by the All-China Women's Federation (ACWF) and the Ministry of Human Resources and Social Security, focusing on vocational training, microfinance and digital skills development. These programs are in reach of urban women and are creating an urban-rural divide in skills and entrepreneurial opportunity.

### **Comparative study of the Gender Gap between India and China:**

and limited access to credit, especially in rural and semi-urban areas.<sup>8</sup> Although venture capital is dominated by male entrepreneurs in China, women benefit here from digital microfinance models and a growing number of initiatives funded and supported by the government.<sup>9</sup> India is implementing policies like Stand-Up India, Mudra, and WE Hub in Telangana. But inconsistency is seen among the states. Whereas in China, the programs and national policies like the Women's Entrepreneurship and Innovation Program are fairly integrated into state planning and offer consistency. If we look at this comparative scenario, there is a need for the Indian government to take stern steps to support women entrepreneurs and provide them with a better supporting system, which can help in the sustained development of GDP and the nation at large.

### Skill Development Programs in Indian States (Excluding Telangana)

| S No | State | Agency/ |
|------|-------|---------|
|------|-------|---------|

In the national development of India, the skilling of women is multifaceted, - economic, social and human development. It is not just a matter of equity, it is a strategic imperative for India's national development. When women's skilling is enhanced, particularly in high-growth and non-traditional sectors, it leads to an increase in their workforce participation and unlocks a significant demographic dividend. This directly boosts productivity and national income. McKinsey Global Institute in 2018 estimated that India could add \$770 billion to its GDP by 2025 by advancing gender equality and improving female participation in the workforce.<sup>11</sup> Skilled women contribute to sectors like IT, education, healthcare, textiles and MSMEs that can drive inclusive economic growth. It contributes to enhancing household incomes, improving health and education outcomes, and fostering social mobility.<sup>12</sup> The International Monetary Fund (IMF) estimates that closing gender gaps in employment could increase India's GDP by up to 27%.<sup>13</sup> In 2022 World Bank reported that women in India are more likely to be in informal jobs. Skilling can help them move into formal and higher-paying roles.<sup>14</sup> Skilling

|   |                    |                 |                               |                                                                                                              |                                                                 |                                                                        |
|---|--------------------|-----------------|-------------------------------|--------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|------------------------------------------------------------------------|
|   |                    |                 |                               | training.                                                                                                    |                                                                 |                                                                        |
| 2 | <b>Ajaita Shah</b> | Rural Rajasthan | Clean Energy, Sales           | Started Frontier Markets to train rural women ("Solar Sahelis") in selling solar products.                   | Combining clean-tech distribution with women's entrepreneurship | 10,000+ women trained; 500,000 households reached with solar solutions |
| 3 | <b>Shikha Shah</b> | Rural Gujarat   | Green Economy, Sustainability | Founded CanvaLoop to train rural women in converting crop waste to fibre, promoting sustainable livelihoods. | Links the circular economy to women's skilling and employment   | 500+ women trained; reduced crop burning and promoted green jobs       |
| 4 | <b></b>            |                 |                               |                                                                                                              |                                                                 |                                                                        |

Innovation Framework” to address existing gaps and enhance the current Grassroots Innovation ecosystem.<sup>19</sup> The Telangana Cloud Adoption Policy 2020 is designed for e-Governance initiatives, working on improving the speed, scale and quality of services. It aims to position the state as a leader in the emergence of technologies. Another campaign, “Intinta Innovator” by Telangana, aims to encourage individuals to think of themselves as innovators or solvers of problems.<sup>20</sup> The policy is mandated under three rules: fostering a culture of innovation from school age, within government and administration, and across the state. The Telangana government issued an innovation policy in 2017, which aims to promote innovation and entrepreneurship. It focuses on sectors like IoT, Agri-tech, Health Tech, Sustainability and FinTech. This policy framework, “Innovate, Incubate, Incorporate”, aims to stimulate the state’s industries through innovation and technology.

### WE Hub of Telangana:

The growth of Women-Led startups in Telangana is very encouraging since its inception. Despite the economic and social problems faced by entrepreneurs, they are showing interest in achieving success as entrepreneurs.

Table 3 Growth of Women-Led Startups in Telangana (2019–2022)

| S No | Year | Number of Women-Led Startups |
|------|------|------------------------------|
| 1    | 2019 | 306                          |
| 2    | 2020 | 391                          |
| 3    | 2021 | 520                          |
| 4    | 2022 | Data not specified           |

## WE Hub's Rural and Tier 2/3 Initiatives:

WE Hub's Rural and Tier 2/3 Initiatives include a rural incubation program, which is supporting 17 rural women entrepreneurs across Telangana. SME Vertical support is being given to 354 entrepreneurs supported in Tier 2 and Tier 3 regions. WE Hub includes programs on funding, debt, credit linkages, and strategic growth support in the form of training and capacity-building curriculum. These programs are designed to help improve women entrepreneurs' capacity building and train them in different aspects of entrepreneurship, like funding, debt, credit channels, and the growth of the organisation with a strategic approach. Despite all the efforts from the WE Hub and the government at the state and the centre, the number of women taking part in the WE Hub initiatives is very less. When the opportunity is provided, participation should be improved, which is not encouraging.

Table – 6 WE Hub's Rural and Tier 2/

food businesses that cater to local tastes and needs. These ventures encompass a wide range of activities, including catering services for small events, providing tiffin (lunchbox) services to office staff, baking personalised cakes, preparing homemade snacks and pickles, and crafting artisanal chocolates. Such enterprises leverage traditional culinary skills and recipes, offering authentic and personalised food options to their communities. The low startup costs and flexibility of these businesses make them accessible avenues for income generation and self-employment. Yet they are not added to the national income. They're limited to the home-based industry and limiting their resources and income to the home front. We observe the same pattern in the textile and fashion design industry as well. In the informal sector, many women operate home-based textile and fashion businesses, including tailoring shops, boutiques, and the buying and selling of sarees and fabrics. It starts from the weaving of sarees to selling them. These enterprises often serve local communities and are primarily intended to supplement family income. We observe the same pattern in the crafts and painting industry. Despite their contributions, these women frequently face