

Women Entrepreneurs in The Informal Sector: Struggles and Successes – A Qualitative Study in Pune City

Dr Gunratna Sontakke¹ and Nupoor Thakur²

Assistant Professor, Department of Anthropology¹

M. A. Anthropology, Department of Anthropology²

Savitribai Phule Pune University, Pune, India

Abstract: *Women's entrepreneurship in the informal sector constitutes a significant yet under-recognized component of urban economies in India. This study examines the motivations, challenges, coping strategies, and empowerment experiences of women entrepreneurs operating informal businesses such as tailoring and beauty services in Pune City. Using a qualitative research design, in-depth interviews were conducted with women entrepreneurs to capture their lived experiences. The findings reveal that women enter informal entrepreneurship primarily due to economic necessity, family responsibilities, and the flexibility offered by informal work. However, they face persistent challenges including financial insecurity, customer bargaining, lack of institutional support, and work-family conflict. To sustain their enterprises, women rely on social networks, skill-based strategies, mutual collaboration, and adaptive pricing practices. Despite structural constraints, informal entrepreneurship provides women with financial independence, self-confidence, and enhanced social status. The study contributes to debates on informal economy theory by demonstrating that formalization alone is not a sufficient solution for women entrepreneurs. Instead, context-sensitive policies that recognize women's agency and socio-cultural realities are required*

Keywords: Women entrepreneurs, Informal sector, Empowerment, Coping strategies, Pune City

I. INTRODUCTION

Women's participation in entrepreneurship has increasingly been recognized as a critical factor in economic development, particularly within the informal sector. The informal sector refers to economic activities that operate outside formal regulatory frameworks, often characterized by small scale, self-employment, and lack of legal protection. In developing countries such as India, informal entrepreneurship serves as a major source of livelihood for women who face structural barriers in accessing formal employment (Chen, 2001) [1].

From a feminist economics perspective, women's economic contributions have historically been undervalued due to the gendered division of labor and unpaid domestic responsibilities. Boserup emphasized that women's work, especially in non-formal economic spaces, is central to development processes but remains inadequately supported by policy frameworks (Boserup) [2]. Informal entrepreneurship allows women to convert domestic skills into income-generating activities, thereby challenging traditional notions of dependency.

In India, women's engagement in informal entrepreneurship is often shaped by necessity rather than opportunity. Institutional constraints such as limited access to credit, rigid labor markets, and inadequate social security systems push women toward informal economic activities (Williams & Gurtoo) [3]. These enterprises provide flexibility, enabling women to balance income generation with household and caregiving responsibilities, but they also expose women to heightened economic vulnerability.

The intersection of work and family life significantly influences women's entrepreneurial experiences. Studies highlight that women entrepreneurs in the informal sector frequently manage a dual burden of productive and reproductive labor, which affects business sustainability and growth (Gopinath & Chitra) [4]. Work-family conflict remains a persistent

challenge, particularly in patriarchal social contexts where domestic responsibilities are disproportionately assigned to women (Narayanan & Barnabas) [5].

While policy discourse often promotes formalization as a solution to informal sector challenges, recent scholarship questions its universal applicability. Formalization may increase compliance costs and reduce flexibility, making it unattractive for many women entrepreneurs (Ramani et al.) [6]. Understanding women's lived realities within informal entrepreneurship is therefore essential for designing inclusive and supportive policy interventions.

II. METHODOLOGY

The study adopts a qualitative research design to capture the subjective experiences of women entrepreneurs in the informal sector. Data were collected through semi-structured, in-depth interviews conducted with women running small-scale businesses such as beauty services and tailoring from their homes in different areas of Pune City. Purposive sampling was used to select participants with long-term engagement in informal entrepreneurship. Interviews were conducted in a conversational manner, recorded with consent, and later transcribed for thematic analysis.

III. FINDINGS

Motivations Behind Informal Entrepreneurship

The interviews indicate that women's engagement in informal entrepreneurship is largely motivated by economic necessity, utilization of existing skills, and the need for flexibility in balancing domestic and income-generating responsibilities. Most participants entered informal work due to insufficient household income, often aggravated by their husbands' involvement in unstable or low-paid employment. As one participant explained, "*My husband's income was not enough, so I started working to support my family*" (Participant A). Financial pressure emerged as a primary push factor, compelling women to seek alternative sources of livelihood within their immediate social and domestic environments.

In addition to economic necessity, the availability of pre-existing skills significantly influenced women's entry into informal entrepreneurship. Skills such as tailoring and beauty services were often learned informally from mothers or relatives, reducing entry barriers and increasing confidence. One participant noted, "*I learned tailoring from my mother, so I thought that I could earn from this skill*" (Participant B). Furthermore, flexibility emerged as a decisive motivating factor. Many women expressed reluctance to engage in formal employment due to rigid schedules that conflicted with caregiving responsibilities. Informal entrepreneurship enabled them to combine productive work with domestic roles, reinforcing its suitability within prevailing gender norms.

Challenges Faced by Informal Women Entrepreneurs

Despite their active participation in entrepreneurial activities, women face persistent economic, structural, and socio-cultural challenges. Customer bargaining was frequently cited as a major concern, often resulting in reduced profit margins and delayed payments. As one participant stated, "*Almost all the customers bargain, and sometimes they make payment late*" (Participant C). Such practices undermine the value of women's labor and contribute to income insecurity. Access to quality raw materials at affordable prices was another significant constraint, particularly for tailors and beauticians who depend on market intermediaries. Infrastructural issues, such as electricity shortages, further disrupted productivity for home-based enterprises. Gender-based discrimination also surfaced as a critical challenge, with participants reporting that women entrepreneurs are often not taken seriously. One participant remarked, "*People don't take women seriously in business*" (Participant D). Additionally, safety concerns arose when dealing with unknown customers, especially during late hours, highlighting the vulnerability associated with informal, home-based work.

Coping Strategies and Growth Mechanisms

To sustain their businesses amid these challenges, women entrepreneurs adopted multiple coping strategies rooted in social cooperation, resource optimization, and time management. Collaboration with fellow women entrepreneurs was a commonly reported strategy, particularly during peak periods such as festivals and wedding seasons. One participant

shared, *"We help each other by sharing bulk orders during festivals"* (Participant E). Such informal networks help distribute workload, ensure timely service delivery, and provide emotional support.

Low-cost marketing strategies were also widely employed. Participants relied heavily on word-of-mouth promotion, visiting cards, and digital tools such as WhatsApp to manage customer communication and orders. As one participant explained, *"I take orders on WhatsApp and give visiting cards"* (Participant F). Effective time management was critical, with women integrating business activities into their daily domestic routines. This strategic negotiation between household responsibilities and entrepreneurial demands reflects women's adaptive responses within constrained environments.

Role of Family, Community, and Government

Family support emerged as a crucial enabling factor in women's entrepreneurial journeys. Emotional encouragement and occasional practical assistance from husbands and family members contributed significantly to business continuity. One participant noted, *"My husband helps me sometimes when the workload is more"* (Participant G). While direct involvement was limited, family approval played an important role in legitimizing women's work.

Community responses were initially mixed, with some participants facing skepticism and social questioning. However, acceptance increased over time as businesses demonstrated economic value, often transforming neighbors into regular customers. As one participant observed, *"Earlier they questioned my work, but later they became my customers"* (Participant H). In contrast, government support was largely absent. Although some women were aware of welfare schemes and loan programs, most lacked information and guidance regarding application procedures. One participant stated, *"I have heard about schemes, but I don't know how to apply"* (Participant I), highlighting the gap between policy availability and grassroots accessibility.

Perceived Benefits and Empowerment

Participation in informal entrepreneurship resulted in significant economic and psychological empowerment for women. Financial independence was repeatedly identified as a major benefit, enabling women to contribute to household expenses and reduce dependence on others. One participant expressed, *"I feel proud that I can support my family financially"* (Participant J). This economic contribution enhanced women's decision-making power within the household.

Beyond financial gains, entrepreneurship fostered increased self-confidence, social recognition, and a strengthened sense of identity. Many participants reported improved respect from family and community members as earning individuals. As one participant stated, *"This work has given me confidence and respect"* (Participant K). Importantly, entrepreneurship also shaped future aspirations, with several women expressing ambitions to expand their businesses and employ others. One participant shared, *"I want to open a shop and hire other women"* (Participant L). These findings suggest that informal entrepreneurship functions not only as a survival strategy but also as a pathway to empowerment and social mobility.

IV. DISCUSSIONS

The findings of this study reaffirm the centrality of informal entrepreneurship as a critical livelihood strategy for women in urban India. Women's entry into informal businesses in Pune City is largely shaped by structural constraints such as limited access to formal employment, gendered household responsibilities, and inadequate institutional support. These findings align with broader analyses of the informal economy, which emphasize that women's participation is often necessity-driven rather than opportunity-driven (Williams & Gurtoo) [3].

A key insight emerging from the study is the persistent tension between flexibility and vulnerability within informal entrepreneurship. While participants valued the autonomy and temporal flexibility offered by informal work, this flexibility came at the cost of income instability, lack of social security, and exposure to market exploitation, particularly through customer bargaining. This duality reflects Chen's argument that informal work simultaneously enables survival and reproduces precarity, especially for women who occupy structurally disadvantaged positions in the labor market (Chen) [1].

The study also highlights the gendered nature of entrepreneurial challenges. Women's business decisions and growth trajectories are deeply embedded within family and social structures. Household responsibilities continue to shape women's work patterns, limiting opportunities for expansion while reinforcing the acceptability of home-based enterprises. This supports feminist economic perspectives that argue women's economic agency is negotiated within, rather than independent of, domestic roles (Boserup) [2].

Importantly, the coping strategies adopted by women such as reliance on social networks, collaborative labor during peak seasons, and skill-based adaptation demonstrate resilience and collective agency within informal settings. These practices challenge deficit-oriented narratives that portray informal women entrepreneurs as passive or unproductive. Instead, the findings suggest that women actively strategize within constrained environments, drawing on social capital to mitigate risks.

The discussion further questions the assumption that formalization is a universally beneficial solution. Consistent with earlier scholarship, the study suggests that rigid formalization policies may undermine the flexibility that makes informal entrepreneurship viable for women. Policy interventions must therefore move beyond formalization-centric models and focus on improving access to credit, skill training, and social protection without eroding autonomy (Williams & Gurtoo) [3].

Overall, this discussion underscores the need for gender-sensitive and context-specific policy frameworks that recognize informal entrepreneurship not merely as an economic activity, but as a socially embedded practice shaped by power relations, gender norms, and survival strategies.

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