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Rural Women Entrepreneurship- Challenges in India

Dr K. Prabhudass, Lecturer in Political Science

Email: kommalapatiprabhudas1971@gmail.com Govt. Degree College, Darsi, Prakasam (DT)
AP. India, Pin: 523247

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Abstract: The practice of establishing and running enterprises by women in rural settings is known as rural women's entrepreneurship. Rural women entrepreneurs add notably to the development and growth of the Indian economic system. Rural women entrepreneurs are vital to the nation's economic, social, and productive growth. Retail commerce, apparel and food product manufacturing, food and beverage services, the handloom industry, industrial items, design (sketching and drawing), home goods, etc. cover the majority of women-owned, rural, non-farm businesses. A lack of experience, adequate funding, difficulties with marketing, transportation, and a lack of education have been found as barriers to moving forward. And a lack of government support, organizational difficulties, and problems by licensing procedures, low mobility, socio-cultural barriers, economic arrangement issues, raw materials, and technology are some of the leading problems that women entrepreneurs face from the beginning of their enterprise to its growth. In rural areas, women-owned enterprises, reduce migration and increase the distribution of farm produce.

The importance of female entrepreneurs in speeding change and progress has been recognized by governments. To flourish, though, they need access to legitimate finance in addition to sound business and marketing advice. Supporting national and state-level programmes that aid women-owned companies with shown development potential is part of this. They require support in expanding business plans and tying them with commercial banks for fixed capital and working capital loans to achieve something. In order for them to reach their mammoth potential, it is crucial that they have comprehensive and well-organized support systems. The purpose of this study is to learn more about the diverse concerns that these women face in growing into flourishing entrepreneurs.

Key words: women entrepreneurs, women-owned enterprises, rural area development, support systems



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Introduction

Any economy requires entrepreneurship to be flourishing. The economic, technological, and socio-cultural landscape of a society is shaped by successful entrepreneurial endeavors. They produce revenue and employment opportunities by expanding into new markets and services. By boosting productivity and competition, new products and more cost-effective manufacturing systems help stagnant economies flourish and enhance people's quality of life. The expansion of the Indian economy is vastly aided by rural women entrepreneurs.

An entrepreneur is a person who uses innovation to impact an economy by investing time, money, and effort, and who develops new ideas to construct their own initiative. The term "rural entrepreneurship" describes the development of industries or entrepreneurship in rural areas.¹ Rural women's entrepreneurship is the practice of women starting and managing businesses in rural areas. Women, who have founded a business, actively run it, and own at least 50% of it for at least a year is considered as entrepreneurs². According to the Indian government, women entrepreneurs are people who own and run a business in which women hold a minimum of 51% of the capital and provide no less than 51% of the jobs.³

Gender equality and women's empowerment, as well as fair and sustainable economic growth and development, depend on women having equal access to and management over financial and economic resources. According to the 68th round of the NSS, 2011–12, female-headed households made up 11.5% of households in rural India and 12.4% of households in urban areas. As per the 2011 Population Census, 65.46 per cent of women were literate. Additionally, according to the 2011 Population Census, the female labour force participation rate was 25.51. Women entrepreneurs in India are speedily transforming the business setting, with women-owned enterprises constituting roughly 20% of the MSME sector. Women entrepreneurs afford direct employment to 22–27 million people.⁴ Women's economic involvement in India accounts for 17% of the GDP, which is less than half the global average.⁵

Women's entrepreneurship has been viewed as a crucial instrument for achieving equity through higher living standards for women in underdeveloped nations. Female entrepreneurship empowers women and changes their status in the family, community, and society through achieving financial independence and gaining a position in the national workforce that has traditionally been reserved for men in developing and deprived nations. The development of jobs, socio-economic advancement, and the ongoing empowerment of women has all been greatly aided by successful female entrepreneurs. Progress is impossible without women in the labour. Andhra Pradesh is becoming a center for female entrepreneurs thanks to the efforts of the



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state government. Gender equality and women's empowerment, as well as fair and sustainable economic growth and development, depend on women having equal access to and control over financial and economic resources.⁶

Statement of the Problem

The worth of rural women's entrepreneurship for economic development is widely recognized. The Indian central and state governments are toiling to promote the development of rural women entrepreneurs through a diversity of programs and initiatives. However, most rural firms do not implement these plans and activities for a variety of reasons. Additionally, it is commonly known that rural women entrepreneurs carry on to face substantial obstacles in running their firms, making their reality incredibly antiquated in most regions. Understanding the unique challenges faced by Andhra Pradesh's rural women entrepreneurs is crucial.

Aims of the Study

- To learn about the troubles faced through the Andhra Pradesh's rural women entrepreneurs.
- To recommend certain corrective measures to tackle the issues faced by rural women business owners.

Significance of Rural Women Entrepreneurship

It is well admitted that India is a male-dominated country where women's standing is inferior to that of European countries in many respects. They are looking forward to devoting all of their attention to their family and are conditioned in this manner from a young age. Because of these actions, Indian society has very low levels of growth and living conditions. Therefore, in order to lower poverty and develop people's quality of life, it is essential that women take the initiative and start their own enterprises. In addition to generating income, these companies will provide employment opportunities for a large number of individuals. In rural areas, women-owned businesses reduce migration and increase the distribution of farm produce. The value of female entrepreneurs in speeding change and progress has been identified by governments. One of the finest ways to sustain rural communities and act as a catalyst for regional economic growth is to give rural women the opportunity to launch their own enterprises in a variety of trades using regional resources. It lowers the rate of population migration to metropolitan regions and furthers the development of rural communities by creating jobs and other possibilities.

The increasing number of female entrepreneurs has led to important business and economic growth in the country. Women-owned firms have a big effect on society because they create jobs nationwide, influence demographic shifts, and motivate the next generation of female



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entrepreneurs. Startup India is committed to supporting Indian women entrepreneurs through initiatives and programmes.⁷ Rural women require an imagination and a creative mind to start a business; they have the personnel and material resources. Entrepreneurship is the most effective strategy to handle the increasing employment rates among young people in rural areas.

The jobs it generates help a large number of members of their own social system. Because it facilitates them running domestic chores and livestock-related responsibilities while contributing to the family income, women in rural areas gain more from this. There are several resources available to rural women to open their own enterprises. They gain from having easy access to resources, including raw materials made from weaponry and animals.⁸ Over the past 20 years, women entrepreneurs have been acknowledged for their significant parts to the socio-economic development of their countries. Women are still only permitted to work in the micro-business sector in India's rural and urban areas.

Over time, it has been clear that the role and contribution of female entrepreneurs in India have been constrained by a variety of socio-cultural associations that are still in place as well as social views that are antagonistic to female CEOs and female-led firms.

Even these types of business ventures have the capacity to speed up the pace of economic growth in developing nations. Supporting rural entrepreneurship, which at the time was dominated by female business owners, can significantly improve the standard of living in such disadvantaged communities.

The growth of female entrepreneurs in India is marked, as is their influence on the nation's economy. The number of female entrepreneurs has grown over time, especially in the 1990s. Women entrepreneurs should be acknowledged for their growing use of modern technologies, increased investments, finding a market niche for exports, creating important jobs for others, and serving as role models for other female entrepreneurs in the organised sector. Even while female entrepreneurs have shown promise, they can still contribute significantly more than they do now.

Women's entrepreneurship calls for its own research since, over the last ten years, it has been seen as a key unexplored resource of economic growth. Women entrepreneurs generate new jobs for themselves and others by being distinctive. They support society in seizing opportunities for entrepreneurship in addition to providing a variety of solutions to business, management, and



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organisational problems. Women tend to create and run enterprises in different industries than men, in addition to having lower rates of entrepreneurial activity than men. Retail commerce, apparel and food product manufacturing, food and beverage services, handloom industry, industrial items, design (drawing and sketching), home goods, etc. comprise the bulk of women-owned, rural, non-farm companies. The goal of this study is to gain more insight into the various challenges these women face as they develop into prosperous business owners.

Discussion

Promoting Products: Women's entrepreneurship includes both the status of women in that society and the function of entrepreneurship in the similar culture. Women entrepreneurs had to conquer many barriers to be given the same opportunities as men, especially when it came to promoting their goods and providing for their families. In certain countries, women may also encounter obstacles when it comes to contract signing and property ownership. Access to larger or more lucrative markets is often impeded for rural women entrepreneurs by inadequate infrastructure, such as transportation and restricted internet connectivity.

Male-dominated Culture: Despite the fact that our constitution assurances equal rights to men and women, equality is practically nonexistent in rural regions. The treatment of women differs from that of men, as they are neglected in all facets of life. In the past, entrepreneurship has been perceived as a male-dominated and male-conquered field. Women are still only permitted to work in the micro-business segment in India's rural and urban areas.

It is challenging for female entrepreneurs to raise and meet the firm's financial needs. They look for the head of the family for permission to launch a business. Traditional gender roles often put anxiety on rural women to prioritize household duties like childrearing, housework, and care giving, which leaves little time for their businesses and hampers their ability to develop and succeed. Over time, it has been evident that the role and contribution of female entrepreneurs in India have been restricted by a variety of socio-cultural institutions. The same is still reflected as society's views are hostile to female CEOs and female-led firms. Even these kinds of business ventures have the capability to speed up the pace of economic growth in developing nations. Promoting rural entrepreneurship, which at the time was dominated by female business owners, can significantly improve the standard of living in such disadvantaged communities. Other studies also reveal a similar opinion that there is a lack of intra-household decision-making power, lower mobility, safety-related confronts, and customs dictate how independently women can run their businesses.⁹



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Lack of Managerial Duties: Due to a lack of entrepreneurial abilities, rural women entrepreneurs are less successful than their urban counterparts. It is a major concern for female-owned enterprises in rural areas. Even after taking part in multiple training programmes on rural entrepreneurship, women entrepreneurs may still be unable to beat the risks and problems that may develop in an organization's operations. Women entrepreneurs' motivation and enterprise administration may suffer from a lack of support, which is sometimes necessary for successful business management. Managing regulatory requirements, such as fraudulent business activities and lengthy licensing and utility application processes, can turn away female entrepreneurs from efficiently managing their companies. Due to their lack of education, female entrepreneurs are unable to perform managerial duties, including staffing, organising, controlling, coordinating, planning, inspiring, and managing an organisation. As a result, a lack of managerial resources makes it difficult for rural entrepreneurs to operate their companies successfully.

Low Literacy Rate & Knowledge: Since most women-owned firms are home-based, tiny, and informal, they have limited access to markets and marketing expertise. Female entrepreneurs have challenges with mobility and logistics, time poverty and unpaid care work, and safety and security in order to run the firm and achieve the required growth. Women entrepreneurs also lag behind in terms of digital and technological abilities because of low literacy rates and restricted access to mobile devices and the Internet. Women in rural areas lack the knowledge and literacy necessary to manage the legal and other formalities involved in taking out loans and creating an industrial unit. As the majority women-owned businesses are home-run, micro, and informal in nature, they have limited contact to market spaces and marketing skills. They also lag in terms of digital and technical skills due to low literacy rates and lack of access to mobile and the Internet.¹⁰

Financial Troubles: Women entrepreneurs find it challenging to raise and meet the firm's financial needs. Bankers, creditors, and financial institutions are not stepping up to grant financial support to female borrowers because of their poorer credit worthiness and higher risk of business failure. Lack of funds for unfinished goods, raw materials, and late customer payments also contribute to their financial problems. The survey also shows that factors like a lack of funds and a delay in obtaining bank financing make up financial problems.⁻¹¹ Another study reveals that nearly 79% of female-owned businesses were self-financed.⁻¹² Restricted access to financing, smaller networks, social bias in business dealings, disproportionate care giving obligations, safety-related mobility limitations, and a lack of mentors are some of the usual obstacles experienced by young women entrepreneurs in India, according to the report.¹³



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Suggestions

Need for Expanded Network: Supporting the growth and development of the network of rural women entrepreneurs is crucial. Women's entrepreneur systems are essential tools for learning about women's entrepreneurship and are increasingly seen as the main tool for its development. This set of connections helps women, among others, by offering lectures and printed materials that transmit first-hand technical skills in procurement, manufacture, processing, management, and marketing. In order to support the sustained growth of women entrepreneurs for balanced growth in the nation, it is necessary to create enabling set of contacts and energize collaborations among different stakeholders in the startup ecosystem.

Building Competence: In functional domains such as marketing, production, finance, literacy, and management, women entrepreneurs require training and capacity building. For female entrepreneurs, extensive instructing in soft skills, technical skills, marketing, and managerial capability are essential. Women entrepreneurs must obtain enough training to help them conquer the challenges posed in big, organized businesses, since manufacturing and marketing are two of the most crucial issues. The government's targeted actions aim to remove these barriers by modernizing farming methods, opening up financing, and supplying necessary equipment and training. This line specifically addresses concerns including a lack of education, financial limitations, and intense competition that commonly keep on rural women from becoming flourishing business holders.

Government Assistance: Information on credit availability, certification processes for various financing organizations, knowledge of government welfare programmes, and technical proficiency are now necessary. The government must offer them with sufficient and the latest information regarding technological advancements as well as modifications to government policies, programmes, plans, and subsidies so they can utilize these services. To raise women's standing in society, more women must work in this field.

Financial Strengthening: Women entrepreneurs find it challenging to raise and meet the firm's financial requirements. Lack of funds for unfinished goods, raw materials, and late customer payments also contribute to their financial problems. To flourish, though, they need access to legitimate finance in addition to sound business and marketing advice. Supporting nationwide and state-level programmes that support women-owned companies by demonstrated development potential is part of this. They need assistance in developing business plans and connecting them with commercial banks for fixed capital and working capital loans in order to succeed in their business. Banks and other financial establishments that offer money to business



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owners need to set up dedicated departments to make it easy and fast for rural women entrepreneurs to obtain loans. It has entrusted to empowering women through economic inclusion, bank linkages and boosting Self-Help Groups (SHGs). The government has to make contracts with leading banks to further carry these endeavors.

Conclusion – The rural women entrepreneurship is one of the primary drivers of economic growth and self-sufficiency in rural parts of India. Facilitating an environment that would encourage women to work independently and contribute to the advancement of the country as a whole is the most essential and pressing need. Thus, there is great optimism for rural women entrepreneurs in India. Specifically, it will support and strengthen rural women's participation in micro-enterprise. Through their successful and competent involvement in entrepreneurial endeavors, rural women can accomplish great things. This will boost national production and household income while also encouraging new rural women to explore micro-business by equitable support, allowing them to hone their entrepreneurial abilities. Female entrepreneurs contribute significantly to their communities and the economy as a whole by leveraging local agricultural resources and overcoming socio-cultural barriers. Despite confrontations like extreme competition, a lack of educational options, and budgetary constraints, government programmes are in place. In conclusion, we underline that successful access to a continuum of support must be offered throughout the critical stages of the entrepreneurial movement in order to transform the entrepreneurial setting into one that is more formal, growth-orientated, varied and in which men and women participate uniformly.

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