

WOMEN ENTREPRENEURS IN INDIA: ITS ROLE AND CHALLENGES

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Abstract

Women's entrepreneurship in India has emerged as a significant force in the economic and social transformation of the nation. Traditionally confined to domestic roles, Indian women are increasingly breaking barriers to participate in business and enterprise. This shift reflects broader societal changes, supportive government policies, and the influence of global economic trends. Women entrepreneurs are making notable contributions across diverse sectors such as handicrafts, textiles, information technology, food processing, retail, and services. Their involvement has not only enhanced economic output but has also promoted gender equality and social empowerment in both urban and rural communities.

Despite the growing number of women-owned businesses, these entrepreneurs encounter a range of challenges that hinder their full potential. Structural barriers such as regulatory complexities, market competition, and technological gaps further impede their growth. Rural women, in particular, face acute challenges due to lower literacy levels, minimal exposure to markets, and infrastructural deficiencies. Supportive measures by the Indian government and various non-governmental organizations (NGOs) have played a crucial role in fostering women entrepreneurship. Initiatives like Stand-Up India, Mahila Coir Yojana, Mudra Yojana loans for women, and skill development programs aim to provide financial support, training, and a conducive environment for women-led enterprises.

Key Words: Economic Empowerment, Employment Generation, Innovation and Leadership, Work–Life Balance, Education and Training.

Introduction

Women entrepreneurship in India has emerged as a significant force in the process of economic growth and social development. A woman entrepreneur is a woman who initiates, organizes, and manages a business enterprise by taking financial risks with the objective of earning profits and achieving independence. In recent decades, Indian women have increasingly stepped out of their traditional roles

and entered the field of entrepreneurship, contributing actively to industrial development, employment generation, and poverty reduction.

The growth of women entrepreneurship in India is influenced by several factors such as increased access to education, changing social attitudes, economic liberalization, government support schemes, and the desire for self-reliance and empowerment. Women entrepreneurs are now visible across diverse sectors such as agriculture, manufacturing, handlooms and handicrafts, small-scale industries, services, education, healthcare, information technology, and digital enterprises. Their participation has not only strengthened the economy but also improved the socio-economic status of women in society.

Women entrepreneurs play a vital role in promoting inclusive and sustainable development. They contribute to capital formation, innovation, balanced regional development, and employment opportunities, especially for other women. By establishing enterprises in rural and semi-urban areas, women entrepreneurs help reduce regional disparities and support grassroots-level economic growth. Moreover, women-owned enterprises foster social change by challenging gender stereotypes and encouraging women's leadership and decision-making capabilities.

However, despite their growing importance, women entrepreneurs in India face numerous challenges. These include limited access to finance, lack of collateral security, inadequate training and skills, socio-cultural barriers, family responsibilities, gender bias, restricted mobility, and limited access to markets and technology. Balancing business responsibilities with household duties further adds to their difficulties. These challenges often hinder the growth and sustainability of women-owned enterprises.

Encouraging women entrepreneurship not only strengthens the economic structure of the country but also promotes women empowerment, gender equality, and overall national development.

Objectives of the Study

1. To study the concept of women entrepreneurship in India
2. To identify the major challenges faced by women entrepreneurs in India
3. To examine the role of women entrepreneurs in women empowerment
4. To study the impact of socio-cultural factors on women entrepreneurship
5. To examine the role of education, training, and skill development

Role of Women Entrepreneurs in India

Women entrepreneurs play a significant and expanding role in India's economic growth, social transformation, and inclusive development. With increasing education, awareness, and policy support, women are contributing actively to various sectors of the economy. Their role can be understood under the following aspects:

Employment Generation

Women entrepreneurs create employment opportunities for both skilled and unskilled workers. Many women-owned enterprises are in small-scale, cottage, and service sectors, which are labour-intensive. These enterprises provide jobs especially to other women, helping to reduce unemployment and underemployment in rural and urban areas.

Contribution to Economic Growth

By establishing and managing businesses, women entrepreneurs contribute to industrial production, capital formation, and national income. Their participation increases productivity and adds to the Gross Domestic Product (GDP) of the country. Women-led enterprises strengthen the MSME sector, which is a backbone of the Indian economy.

Women Empowerment

Entrepreneurship empowers women economically and socially. It provides financial independence, improves self-confidence, decision-making power, and leadership skills. Women entrepreneurs become role models, motivating other women to take up entrepreneurial activities and break traditional gender barriers.

Balanced Regional Development

Many women entrepreneurs establish enterprises in rural and backward regions using local resources and skills. This helps in reducing regional disparities and promotes balanced regional development. Rural women entrepreneurs support local economies and prevent excessive migration to urban areas.

Promotion of Small-Scale and Cottage Industries

Women entrepreneurs play a key role in preserving and promoting traditional industries such as handlooms, handicrafts, food processing, embroidery, and agro-based industries. These industries generate employment and preserve India's cultural heritage while contributing to exports.

Innovation and Creativity

Women entrepreneurs bring innovation, creativity, and new ideas to business activities. They introduce new products, services, and business models, particularly in areas such as education, healthcare, wellness, fashion, organic products, and digital services.

Social Development and Welfare

Many women entrepreneurs focus on socially responsible businesses that address issues such as education, health, nutrition, sanitation, and environmental sustainability. Their enterprises often aim at community development and improving the quality of life.

Reduction of Poverty

Women entrepreneurship helps in poverty alleviation by providing income-generating opportunities. When women earn, they tend to invest more in family welfare, education, and healthcare, leading to overall social development.

Support to Inclusive Growth

Women entrepreneurs promote inclusive growth by involving marginalized groups such as rural women, self-help groups (SHGs), and disadvantaged communities in economic activities. This strengthens social inclusion and equality.

Development of Entrepreneurial Culture

Women entrepreneurs help in spreading entrepreneurial culture in society. Their success stories encourage innovation, risk-taking, and self-employment among youth and women, contributing to long-term economic development.

Challenges Faced by Women Entrepreneurs in India

Despite the increasing participation of women in entrepreneurship, they continue to face several economic, social, cultural, and institutional challenges. These challenges often limit the growth, sustainability, and success of women-owned enterprises.

Financial Constraints

One of the major challenges faced by women entrepreneurs is lack of access to finance. Banks and financial institutions often hesitate to provide loans due to lack of collateral security and credit history. Many women depend on personal savings or family support, which restricts business expansion.

Limited Access to Credit and Capital

Women entrepreneurs face difficulties in raising initial capital and working capital. Gender bias in lending practices and limited awareness about financial schemes further worsen the problem.

Socio-Cultural Barriers

Traditional social norms and patriarchal attitudes restrict women's participation in business. Society often expects women to prioritize household responsibilities over entrepreneurial activities, which discourages them from taking risks.

Family Responsibilities

Balancing business and family life is a major challenge. Women entrepreneurs shoulder the dual responsibility of managing enterprises and handling household duties such as childcare, elder care, and domestic work, leading to stress and time constraints.

Lack of Education and Training

Many women lack adequate education, technical knowledge, and managerial skills. Limited access to entrepreneurship training, financial literacy, and digital skills affects their decision-making and business efficiency.

Limited Mobility and Safety Issues

Restrictions on mobility due to social norms and safety concerns limit women's ability to travel, attend business meetings, explore markets, and build networks, especially in rural and semi-urban areas.

Technological Challenges

Women entrepreneurs often have limited access to modern technology, digital platforms, and online marketing tools. Lack of technological awareness reduces productivity and competitiveness in the market.

Marketing and Market Access Problems

Women entrepreneurs face difficulties in marketing their products due to limited exposure, lack of networks, and inadequate knowledge of market trends, branding, and customer preferences.

Lack of Networking and Mentorship

Limited access to professional networks, business associations, mentors, and support systems restricts learning, growth, and collaboration opportunities for women entrepreneurs.

Legal and Regulatory Barriers

Complex legal procedures, licensing requirements, taxation issues, and compliance burdens pose challenges, particularly for small and first-time women entrepreneurs.

Gender Discrimination and Bias

Women entrepreneurs often face discrimination in dealing with suppliers, customers, financiers, and even employees. Their business abilities are sometimes underestimated due to gender bias.

Low Risk-Taking Capacity

Due to financial insecurity, family pressure, and fear of failure, women entrepreneurs often hesitate to take risks, which affects innovation and business growth.

Government Schemes for Women Entrepreneurs in India

The Government of India has introduced several schemes and programs to encourage women entrepreneurship, promote self-employment, and support women-led enterprises. These schemes provide financial assistance, training, skill development, and institutional support.

Stand-Up India Scheme

The Stand-Up India Scheme aims to promote entrepreneurship among women and marginalized groups. Under this scheme, women entrepreneurs can avail bank loans ranging from ₹10 lakh to ₹1 crore to set up greenfield enterprises in manufacturing, services, or trading sectors. The scheme encourages financial inclusion and self-employment.

Mudra Yojana (PMMY – Pradhan Mantri Mudra Yojana)

Under the Mudra Yojana, women entrepreneurs can obtain loans without collateral to start or expand small businesses. Loans are provided under three categories:

- **Shishu** (up to ₹50,000)
- **Kishore** (₹50,000 to ₹5 lakh)

- **Tarun**(₹5lakhsto10lakhs)

This scheme supports micro and small women entrepreneurs.

Mahila Udyam Nidhi Scheme

This scheme is implemented by the Small Industries Development Bank of India (SIDBI). It provides financial assistance to women entrepreneurs to establish new ventures in small-scale industries. It supports women engaged in manufacturing, service, and industrial activities.

Annapurna Scheme

The Annapurna Scheme is designed to support women entrepreneurs in the food catering and food-related businesses. It provides loans up to ₹50,000 to help women start or expand food enterprises such as catering units, canteens, and food stalls.

Bharatiya Mahila Bank Business Loan

This scheme offers financial assistance to women entrepreneurs for starting or expanding business ventures. It provides loans at concessional interest rates and supports both small and large business enterprises run by women.

Dena Shakti Scheme

Dena Shakti Scheme provides loans to women entrepreneurs engaged in agriculture, manufacturing, micro-credit, retail trade, and small enterprises. It offers concessional interest rates and encourages women-led businesses.

Cent Kalyani Scheme

This scheme by Central Bank of India provides loans to women entrepreneurs for setting up new enterprises or expanding existing businesses. It covers manufacturing, services, MSMEs, and agricultural activities with lower interest rates.

TREAD Scheme (Trade Related Entrepreneurship Assistance and Development)

The TREAD scheme focuses on empowering women entrepreneurs through training, information, counseling, and credit support. The government provides a grant component along with bank loans to women entrepreneurs through NGOs.

Support to Training and Employment Programme for Women (STEP)

STEP aims to enhance the skills and employability of women by providing training in traditional sectors such as agriculture, handlooms, handicrafts, and small businesses. It encourages self-employment and entrepreneurship among women.

National Mission for Empowerment of Women (NMEW)

NMEW aims to strengthen institutional mechanisms for women's empowerment. It supports women entrepreneurs by improving access to resources, credit, skill development, and market opportunities.

Self Help Group–Bank Linkage Programme (SHG-BLP)

This program promotes women entrepreneurship through Self Help Groups (SHGs). It enables women to access bank credit, savings, and financial services collectively, especially in rural areas.

Conclusion

Women entrepreneurs in India play an important role in economic growth, employment generation, women empowerment, and balanced regional development. Their participation strengthens small-scale industries and promotes inclusive development. However, women entrepreneurs face several challenges such as lack of finance, socio-cultural barriers, family responsibilities, limited access to education, technology, and markets. Addressing these challenges through government support, skill development, financial inclusion, and positive social change is essential for encouraging women entrepreneurship and achieving sustainable economic development in India.

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