



WOMEN ENTREPRENEURSHIP IN RURAL INDIA: BARRIERS AND FUTURE PERSPECTIVES

¹Dr Gouri N Malipatil, ²Savita Murale

¹Assistant Professor, ²Assistant Professor

¹Faculty of Business Studies,

¹Sharnbasva University, Kalaburagi, India

Abstract: Women entrepreneurship has emerged as a key driver of economic growth, employment generation, and social transformation in rural India. Despite their growing contribution to household income and rural development, women entrepreneurs continue to face numerous socio-economic, cultural, financial, and technological barriers. This study examines the current status of rural women entrepreneurship in India, identifies the major challenges faced by women entrepreneurs, and evaluates the role of government support initiatives in promoting entrepreneurial development. The study employs an exploratory, descriptive research design using qualitative secondary data from research articles, government reports, policy documents, and published literature. The findings reveal that limited access to finance, inadequate education and skills, gender discrimination, poor infrastructure, digital illiteracy, and restricted market access remain significant obstacles to entrepreneurial growth among rural women. At the same time, government initiatives such as the Pradhan Mantri MUDRA Yojana, Stand-Up India Scheme, National Rural Livelihoods Mission (NRLM), Women Entrepreneurship Platform (WEP), and Self-Help Group (SHG) programmes have played a vital role in enhancing financial inclusion, skill development, and business opportunities for women. The study concludes that strengthening awareness, improving access to credit and technology, simplifying administrative procedures, and expanding mentorship and training programmes are essential for fostering a supportive entrepreneurial ecosystem. Promoting rural women entrepreneurship is crucial for achieving inclusive economic growth, gender equality, and sustainable rural development in India.

Index Terms - Women Entrepreneurship, Rural Development, Self-Help Groups, Government Schemes, Financial Inclusion, Women Empowerment, Rural India.

I. INTRODUCTION

Entrepreneurship has become an important tool for economic growth, employment generation, and social transformation in India. Women entrepreneurs, particularly in rural areas, play a significant role in improving household income, reducing poverty, and promoting rural development. Rural women are increasingly involved in activities such as agriculture, dairy farming, handicrafts, food processing, tailoring, and small-scale enterprises, contributing to both local economies and national development. (1) Women's entrepreneurship refers to enterprises owned, managed, and controlled by women. According to the Government of India, an enterprise is considered women-owned when women hold at least 51% of the capital investment and generate at least 51% of employment in the enterprise. Rural entrepreneurship focuses on establishing businesses in rural areas by utilising local resources, skills, and agricultural opportunities to create employment and economic development. (2)

Despite their growing contributions, rural women entrepreneurs face several challenges, including limited access to finance, inadequate infrastructure, limited education and digital literacy, restricted mobility, gender discrimination, and limited market access. Women often engage in entrepreneurship

due to both “push” factors, such as poverty and family responsibilities, and “pull” factors, such as the desire for independence, self-employment, and economic empowerment. (3)

To encourage women entrepreneurship, the Government of India has introduced initiatives such as Pradhan Mantri MUDRA Yojana, Stand-Up India, Mahila E-Haat, Rural Self Employment Training Institutes (RSETIs), and Self-Help Groups (SHGs) under the National Rural Livelihoods Mission (NRLM). These programs provide financial support, skill development, training, and market opportunities for rural women entrepreneurs. (4)

Although various challenges continue to hinder their progress, rural women entrepreneurs are increasingly transforming local skills and resources into sustainable enterprises. Their entrepreneurial efforts contribute to employment generation, poverty reduction, women’s empowerment, and inclusive rural development. Therefore, promoting rural women entrepreneurship is essential for achieving sustainable economic growth and gender equality in India.

II. LITERATURE REVIEW

Several studies have examined the challenges, opportunities, and development of rural women entrepreneurship in India. Senthilkumar, Vasantha, and Varadharajan observed that patriarchal social structures, low literacy levels, and traditional gender roles create unfavourable conditions for the growth of women’s entrepreneurship in India. The study highlighted that women’s participation in self-employment remains limited due to social and cultural restrictions. (5)

Parveen emphasized the importance of training and support programs conducted by NGOs in developing entrepreneurial skills among rural women. The study found that trained women entrepreneurs were better equipped to manage businesses and access markets, whereas untrained women entrepreneurs faced greater difficulties in sustaining their enterprises. Priyanka Sharma suggested that education, vocational training, and targeted development programs are essential for promoting women entrepreneurship. The study also identified financial constraints, family obligations, and male-dominated social structures as major barriers. (6)

Pharm and Sritharan identified a lack of leadership skills, financial insufficiency, poor awareness about government schemes, and low educational levels as significant problems faced by rural women entrepreneurs. Similarly, P. Jayakumar and J. Kannan (2014) highlighted issues such as dual responsibilities between family and business, limited risk-bearing capacity, illiteracy, and a lack of training and support services. (7)

Raju and Bhuvanewari examined rural entrepreneurship and emphasized the need for entrepreneurial training and government support to motivate rural entrepreneurs. The study concluded that rural women entrepreneurship contributes significantly to employment generation, sustainable development, and improvement in the quality of rural life. (8)

Recent studies have also focused on structural and digital challenges faced by rural women entrepreneurs. Kishori and Sujatha reported that a lack of education and vocational training restricts women’s ability to manage finances, use digital tools, and understand business procedures. (9). Patel and Pandey faced difficulties in accessing institutional finance due to a lack of collateral, financial illiteracy, and gender bias in banking services. (10) Senthilkumar further noted that digital illiteracy and poor internet access prevent rural women from participating in online markets and digital business platforms. (11)

Acharya and Chandra observed that patriarchal norms and social restrictions limit women’s mobility, networking opportunities, and independent decision-making. (12) Verma and Chaini found that a lack of transportation, branding knowledge, and market exposure restricts rural women from accessing wider markets and fair pricing for their products. (13) Varshitha et al. pointed out that although several government schemes exist, many rural women remain unaware of these programs due to weak implementation and lack of outreach at the grassroots level. (14)

Overall, the literature indicates that rural women entrepreneurs in India face multiple socio-economic, financial, cultural, and technological barriers. However, studies also suggest that government initiatives, training programs, Self-Help Groups (SHGs), and institutional support can significantly improve women’s entrepreneurial participation, economic independence, and contribution to rural development.

III. OBJECTIVES

- To identify the factors motivating rural women entrepreneurship.
- To examine the challenges faced by rural women entrepreneurs.
- To analyze the role of government support and schemes for women entrepreneurship.
- To study the contribution of rural women entrepreneurship to economic development and women empowerment.

IV. METHODOLOGY

The study is exploratory and descriptive, and uses a qualitative secondary research methodology. The research aims to identify the motivating factors, challenges, and support mechanisms for rural women entrepreneurship in India.

The study relies on secondary data collected from books, research articles, journals, government reports, policy documents, RBI and NABARD reports, NRLM publications, census data, newspapers, and online academic databases such as Google Scholar, ResearchGate, and SpringerLink.

The collected data was analyzed using thematic content analysis by categorizing information into themes such as financial barriers, educational limitations, social constraints, digital divide, and government support schemes. The study also examines the role and effectiveness of initiatives such as SHGs, NRLM, MUDRA Yojana, and Stand-Up India in promoting rural women entrepreneurship.

V. CURRENT STATUS OF WOMEN ENTREPRENEURSHIP IN INDIA

Now, society's perception of women is changing. Also, due to government and international pressure, women began to participate in economic growth. The sixth economic census, released by the Ministry of Statistics and Program Implementation, presents a worrisome picture of the status of women entrepreneurs in the country.

- The survey shows that women comprise only 13.76% of the total entrepreneurs, i.e., 8.05 million out of the 58.5 million entrepreneurs.
- Total business owned by females provides employment to 13.45 million people.
- Out of these entrepreneurs, 2.76 million women (34.3% of the total entrepreneurs) work in the agriculture sector, whereas 5.29 million females (65.7% of the total entrepreneurs) work in non-agricultural sectors.
- In agriculture, livestock is ahead (with a share of 31.6 %) among all other farming activities. Among the non-agricultural activities owned by female entrepreneurs, manufacturing and retail trade are the dominant sectors, accounting for 29.8% and 17.8%, respectively.
- Out of the total establishments under women entrepreneurs, percentage share of various social and religious groups: OBC: 40.60%, SC: 12.18%, ST: 6.97% and others (40.25%); Hindus: 65.6%, Muslims: 12.84% and Christians: 5.2%.
- Among the states, the largest share in the number of establishments under women entrepreneurship is of Tamil Nadu (13.51%), followed by Kerala (11.35%), Andhra Pradesh (10.56%), West Bengal (10.33%) and Maharashtra (8.25%).
- Average employment per establishment for women-owned establishments is 1.67.

VI. Government Assistance for Women Entrepreneurs in India

Women entrepreneurs contribute significantly to India's economic growth, employment generation, and social development. However, many women, especially in rural areas, face challenges such as limited access to finance, insufficient skills, limited market exposure, and social barriers. To address these issues, the Government of India has introduced various schemes that provide financial assistance, training, mentorship, and market support.

1. Pradhan Mantri MUDRA Yojana (PMMY)

Launched in 2015, PMMY provides collateral-free loans up to ₹10 lakh to micro and small enterprises through three categories:

- Shishu: Up to ₹50,000
- Kishore: ₹50,000–₹5 lakh
- Tarun: ₹5 lakh–₹10 lakh

The scheme has helped women establish businesses such as tailoring units, food processing enterprises, beauty parlours, and retail shops. However, low awareness and procedural delays limit its effectiveness in some rural areas.

2. Stand-Up India Scheme

Introduced in 2016, this scheme offers loans ranging from ₹10 lakh to ₹1 crore to women and SC/ST entrepreneurs for setting up new enterprises in manufacturing, services, or trading sectors. It also provides guidance and project support. Despite its benefits, complex procedures and limited business knowledge often discourage rural women from applying.

3. National Rural Livelihoods Mission (NRLM)

NRLM empowers rural women through Self-Help Groups (SHGs) by providing access to credit, training, and livelihood opportunities. Women engage in activities such as dairy farming, poultry, handicrafts, and small-scale businesses. While NRLM has improved incomes and confidence, challenges remain in expanding business and ensuring sustainability.

4. Mahila E-Haat

Mahila E-Haat is a digital marketplace launched by the Ministry of Women and Child Development. It enables women entrepreneurs and SHGs to market and sell their products online, helping them reach wider markets and earn better profits. However, limited internet access and low digital literacy restrict its utilization.

5. Microfinance and SHG-Bank Linkage Programme

This programme provides small, collateral-free loans through SHGs and Microfinance Institutions (MFIs). It promotes financial inclusion, savings habits, financial literacy, and entrepreneurial confidence among women, enabling them to start and expand small businesses.

6. Women Entrepreneurship Platform (WEP)

Launched by NITI Aayog, WEP supports women entrepreneurs through mentorship, networking, funding opportunities, and business guidance. It operates through three pillars:

- Ichha Shakti – Encouraging entrepreneurship
- Gyaan Shakti – Providing knowledge and support
- Karma Shakti – Assisting business growth

7. Udyogini Scheme

The Udyogini Scheme provides loans and entrepreneurship training to women from economically weaker sections. It supports businesses in agriculture, trade, and services while offering special benefits to widows, disabled women, and SC/ST women.

8. Annapurna Scheme

Designed for women in the food and catering sector, this scheme offers loans of up to ₹50,000 for purchasing kitchen equipment and utensils, as well as meeting working capital requirements. It encourages women to establish catering and food-processing businesses.

9. Trade Related Entrepreneurship Assistance and Development (TREAD)

TREAD promotes women's entrepreneurship by providing financial assistance through NGOs, skill development training, counselling, and business support services. It mainly benefits women engaged in non-farm activities.

VII. BARRIERS TO RURAL WOMEN ENTREPRENEURSHIP IN INDIA

The obstacles encountered by rural women entrepreneurs are multifaceted, encompassing social, economic, educational, and infrastructural dimensions. The annual report from the Ministry of Micro, Small, and Medium Enterprises states that the percentage of women-owned businesses in rural areas is slightly higher (22.24%) than in urban areas (18.42%).

1. Social and Cultural Constraints

According to gender analysis, women can only engage in economic activity with confidence and independence if they are not constrained by cultural norms. The key concerns that programs and initiatives supporting women's equality through entrepreneurship must address, along with recommendations for the future direction of gender programs, particularly those that focus on training.

The obstacles encountered by rural women entrepreneurs are multifaceted, encompassing social, economic, educational, and infrastructural dimensions. Deep-rooted patriarchal norms often relegate women to domestic roles, limiting their participation in entrepreneurial activities.

Societal expectations and familial responsibilities can deter women from pursuing business ventures, leading to a lack of support from family and community members. Additionally, mobility restrictions and safety concerns further constrain their ability to conduct business beyond their immediate localities.

2. Lack of formal Education

It limits their capacity to acquire the skills and information required to launch and sustain a profitable firm, which is one of the major obstacles facing women entrepreneurs in India. Additional problems caused by illiteracy include gender discrimination, networking opportunities, and trouble getting financing, all of which are significant obstacles. The factors like poverty, the importance of male education over female, gender stereotypes, etc., are the main causes of the lack of education among women entrepreneurs.

3. Limited Access to Finance

Access to formal credit remains a significant hurdle for rural women entrepreneurs. Financial institutions often perceive women-led enterprises as high-risk due to perceived lack of collateral and business experience. Consequently, many women rely on personal savings or informal lending sources, which are often insufficient for business expansion. According to the World Bank, 79% of women-owned enterprises in rural India are self-financed.

4. Educational and Skill Gaps

Limited educational opportunities and a lack of vocational training impede women's ability to acquire essential business skills. The dearth of knowledge in areas such as financial management, marketing, and technological proficiency hampers their competitiveness and growth potential. A study highlights that a lack of education and vocational training is a significant challenge faced by rural women entrepreneurs.

5. Inadequate Infrastructure and Technology

Poor infrastructure, including unreliable transportation and limited access to markets, poses logistical challenges for rural women entrepreneurs. Additionally, the high cost of mobile data and limited internet connectivity hinder their ability to leverage digital platforms for business operations and marketing. A report by the Cherie Blair Foundation for Women reveals that 45% of women in developing countries lack regular internet access due to expense and connectivity issues. (2,3)

6. Regulatory and Policy Challenges

Navigating complex regulatory frameworks and bureaucratic procedures can be daunting for rural women entrepreneurs. The absence of tailored policy support and awareness about government schemes further exacerbates their challenges. A study emphasizes the need for policies that address the unique constraints faced by women entrepreneurs in rural India.

Although Government procedures are complex for rural women entrepreneurs, the Government is doing its best to address the issue and facilitate women entrepreneurs in promoting and growing their businesses. The government is promoting various schemes to benefit these women in different states. In partnership with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) Germany, the Ministry of Skill Development and Entrepreneurship is conducting a pilot project titled "Economic

Empowerment of Women Entrepreneurs and Startups by Women" to promote women entrepreneurs across the nation. In Assam, Rajasthan, and Telangana, the project is piloting incubation and acceleration programs for micro women entrepreneurs to launch new ventures and grow existing firms. The initiative aims to trial the acceleration program with 100 women and the incubation program with 250 women. (4)

VIII. FUTURE OF INDIAN WOMEN ENTREPRENEURS

The journey of women entrepreneurs is not easy many hurdles that still lurk for women to take the big leap. It is found that for the growth and development of women entrepreneurs, their active participation is essential. Hence, a pleasant environment is needed for women to participate actively in entrepreneurial activities. There are many agencies that take the initiative to promote women entrepreneurship, including government, non-government, promotional and regulatory agencies.

The Indian government has finally realized that it cannot achieve the desired economic growth by ignoring half of its population, i.e. women. The government, through its various policies, supports women entrepreneurs in India. By providing various incentives and schemes, and by including „integration of women in the development“ in its five-year plan, the government of India has taken encouraging steps to empower women.

Apart from the government, many non-governmental institutions, financial institutions, women development cells, SIDBI, ILO, self-help groups, and other institutions are also working to empower women. The „10th Five Year Plan“ is designed to empower women by translating the recently adopted National Policy for the Empowerment of Women into action and by ensuring the survival, protection and development of women and children through a rights-based approach.

Women entrepreneurs in India provide a platform for women to develop new, creative and innovative techniques in production, finance and marketing. There are various bodies, such as NGOs, voluntary organizations, self-help groups, institutions and individual enterprises from rural and urban areas, which together support women entrepreneurs in their activities.

IX. CONCLUSION

Rural women entrepreneurs in India are playing a transformative role in driving economic development and social empowerment. Despite facing significant challenges, including cultural constraints, limited access to education and finance, inadequate infrastructure, and policy hurdles, many women are defying odds to establish and grow their enterprises across diverse sectors. Their contributions extend beyond traditional businesses to emerging industries such as renewable energy, manufacturing, and technology. The Indian government has recognized the potential of women-led businesses and introduced numerous initiatives to support their entrepreneurial journeys. Programs such as the Pradhan Mantri Mudra Yojana, Stand-Up India, Udyogini Scheme, and Women Entrepreneurship Platform (WEP) have provided financial assistance, training, and mentorship to aspiring women entrepreneurs. These efforts have facilitated greater participation of women in economic activities, fostering job creation and regional development.

However, despite these progressive policies, gaps remain in awareness, accessibility, and implementation. Many rural women are still unaware of the resources available to them or face bureaucratic challenges in availing benefits. To maximize the impact of government initiatives, there is a need for enhanced outreach, simplified financial procedures, stronger mentorship networks, and increased digital literacy programs. By addressing these challenges and fostering a more inclusive entrepreneurial ecosystem, India can further harness the potential of rural women entrepreneurs, driving sustainable economic growth and social progress for generations to come.

REFERENCES

1. 1Dr. Roopam Jain, 2Dr. Ayan Hazra. Challenges Faced by Rural Women Entrepreneurs in India and Government Support Initiatives. *International Journal of Humanities, Social Science and Management (IJHSSM)* Volume 5, Issue 2, Mar.-Apr., 2025, pp 993-1001 ISSN: 3048-6874. www.ijhssm.org
2. Dr. Kalpana Koneru. WOMEN ENTREPRENEURSHIP IN INDIA-PROBLEMS AND PROSPECTS
3. Mr K. Mahesh¹, Mr P. Srinivas², RURAL WOMEN ENTREPRENEURSHIP IN INDIA – ISSUES AND CHALLENGES. IJSDR2509122 *International Journal of Scientific Development and Research (IJS DR)* www.ijedr.org b165
4. Mehfuza Sultana. BREAKING BARRIERS: AN ANALYTICAL STUDY OF THE CHALLENGES FACED BY RURAL WOMEN ENTREPRENEURS IN INDIA. *International Journal of Recent Research and Review*, Vol. XVIII, Issue 3, September 2025 ISSN 2277 – 8322
5. Senthilkumar, Vasantha, Varadharajan, Role of Women Entrepreneurs in Prambalur District (Tamil Nadu), *Asian Academic Research Journal of Multidisciplinary*, 2012, 1(1).
6. Parveen K. Development of Rural Women Entrepreneurs through Workshop Training. *Research Journal of Management Sciences*. 2014, 3(2).
7. Pharm A, and Sritharan R. Problems Being Faced By Women Entrepreneurs in Rural Areas. *The International Journal of Engineering and Science*, 2013, 2(9).
8. Raju S, Bhuvaneshwari H. A Study on Rural Entrepreneurship with Sivaganga District. *Global Journal for Research Analysis*, 2014, (3)
9. Kishori, K. S., & Sujatha, D. S. (2025). *Women entrepreneurship in India –Opportunities and challenges*. *Universal International Journal of Management Research*, 4(5), 123–132.
10. Patel, D., & Pandey, A. (2025). *Promoting women entrepreneurship through bank credit: A study of the NRLM scheme*. *International Indian Journal of Business*, 6(1), 45–56.
11. Senthilkumar, R. (2025). *Digital India for empowering rural women: A step towards inclusive digital growth*. Research Gate.
12. Acharya, S. R., & Chandra, Y. (2025). *From struggling to building social identity: A study on rural women artisans in the unorganized sector from Gujarat (India)*. In *Women in the Unorganized Sector* (pp. 137–152). Springer.
13. Verma, R., & Chaini, S. R. (2025). *Synergizing tourism through women entrepreneurship in rural regions*. *Shodh Sanchar Bulletin*, 25(2), 64–73.
14. Varshitha, S., Vaishnavi, S., Jyothi, T., & Sruthi, V. (2025). *Empowering entrepreneurship: Government initiatives and challenges*. Research Gate.