

Research Article**Women Entrepreneurship: A Catalyst for Inclusive Growth****Lt. M Kondala Rao**

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Corresponding Author: Lt. M Kondala Rao**Abstract**

Women entrepreneurship plays a pivotal role in driving inclusive and sustainable economic development. As more women engage in entrepreneurial activities, they contribute significantly to job creation, poverty reduction, and regional equity. This paper explores the evolution, significance, and socio-economic impact of women-led enterprises in India and globally. It highlights the critical role of governmental schemes, institutional support, and international agencies in promoting women entrepreneurs. The study also examines the persistent challenges faced by women in business, including socio-cultural constraints, limited financial access, and policy gaps. Using recent data and government reports, the paper emphasizes the need for a gender-sensitive entrepreneurial ecosystem that can harness the full potential of women entrepreneurs in achieving national and global development goals.

Keywords: Women Entrepreneurship, Inclusive Growth, Economic Empowerment and Financial Constraints.

1. Introduction**1.1 Meaning of Women Entrepreneurship**

Women entrepreneurship refers to the process wherein women initiate, establish, manage, and grow business ventures with the aim of generating economic value, fostering innovation, and contributing to societal development. It encompasses the full spectrum of entrepreneurial activities—from micro-enterprises to large-scale enterprises—and includes both profit-oriented and social entrepreneurship. Women entrepreneurs play a dual role in economic progress and social transformation, as they often reinvest their earnings into family welfare, education, and community development.

In the modern context, women-led enterprises have expanded across diverse sectors such as technology, manufacturing, agriculture, healthcare, e-commerce, and service industries. This shift marks a significant departure from traditional gender roles and is increasingly recognized as a crucial force for economic dynamism, gender equality, and inclusive development.

1.2 Significance in the Contemporary Economy

Women entrepreneurship holds immense potential to drive inclusive and sustainable economic growth. Globally, women own or manage approximately 33% of formal businesses (International Finance Corporation, 2023). In developing economies, the empowerment of women through entrepreneurship has been linked to higher household incomes, better health outcomes, and improved educational attainment for children.

In the Indian context, the importance of women entrepreneurship has been steadily growing. As per the 6th Economic Census (Ministry of Statistics and Programme Implementation), women account for 13.76% of all entrepreneurs, managing over 8.05 million businesses. These

enterprises provide direct employment to more than 13.5 million people across urban and rural areas.

Recent data by NITI Aayog's Women Entrepreneurship Platform (WEP) highlights that over 20% of MSMEs in India are women-led. Furthermore, a 2023 report by the McKinsey Global Institute estimates that advancing gender parity in entrepreneurship could potentially add \$770 billion to India's GDP by 2025.

The World Bank (2023) emphasizes that increasing women's participation in entrepreneurship globally could raise global GDP by \$5 to \$6 trillion, especially if the gender gap in business ownership is reduced. Yet, the gap remains significant, particularly in access to finance, skills, and markets.

2. Historical Background

2.1 Evolution of Women Entrepreneurs

The evolution of women entrepreneurship has been a gradual but transformative journey, both globally and in India. Traditionally, women's economic activities were confined to the informal sector or family-supported businesses such as home-based food production, tailoring, and crafts. In pre-independence India, their economic roles remained largely invisible and unrecognized. However, the landscape began to shift post-independence, especially with the rise of cooperative movements like the establishment of Lijjat Papad in 1959, which showcased how collective women's efforts could lead to entrepreneurial success.

A significant turning point came with India's economic liberalization in 1991. The opening of markets, reduction of regulatory barriers, and emergence of new sectors created opportunities for women to enter formal entrepreneurship. Improved access to education, increasing urbanization, and targeted government schemes further catalyzed this trend. From the 2000s onward, the rise of digital platforms, mobile banking, and online marketplaces empowered women to scale up their ventures beyond local boundaries. Today, Indian women are leading businesses across diverse sectors, including e-commerce, healthcare, renewable energy, and fintech, reflecting a shift from subsistence-level entrepreneurship to innovation-driven enterprises.

2.2 Global vs Indian Perspective

Globally, women entrepreneurs are making significant strides, with women-owned businesses accounting for approximately 33% of all formal enterprises, as reported by the Global Entrepreneurship Monitor (2023). Developed nations such as the United States, Canada, and Australia have created conducive ecosystems for women to thrive in entrepreneurship through policy support, gender-sensitive funding mechanisms, and robust mentorship networks.

In comparison, India presents a more complex picture. According to the Sixth Economic Census conducted by the Ministry of Statistics and Programme Implementation (MoSPI), women constitute only 13.76% of the total entrepreneurial population, managing around 8.05 million out of 58.5 million establishments. Most of these enterprises are micro-scale and concentrated in traditional sectors such as food processing, garments, handicrafts, and beauty services, often operating in the informal economy. However, recent trends indicate a gradual transition, with more educated, urban, and digitally connected women entering emerging sectors and leveraging government initiatives such as Stand-Up India, MUDRA Yojana, and the Women Entrepreneurship Platform (WEP) by NITI Aayog.

Despite notable advancements, challenges remain. India ranks 127th out of 146 countries in the Economic Participation and Opportunity subindex of the World Economic Forum's Global Gender Gap Report 2024. Nevertheless, the rise of women-led start-ups and social enterprises, especially from Tier-II and Tier-III cities, signals a promising future for inclusive and gender-balanced entrepreneurship.

3. Role of Women Entrepreneurship in Inclusive Growth

3.1 Economic Empowerment

Women entrepreneurship plays a transformative role in enhancing economic empowerment, not only for women themselves but also for the wider society. When women establish and lead enterprises, they generate income, gain financial independence, and contribute directly to national economic output. Moreover, women are more likely to employ other women, thereby creating a ripple effect of empowerment. These enterprises diversify the economic base, promote inclusive capital formation, and increase the participation of women in economic decision-making, both at the household and community levels. A study by the McKinsey Global Institute (2022) estimates that closing the gender gap in entrepreneurship and workforce participation could contribute an additional \$770 billion to India’s GDP by 2025, underlining the massive untapped potential of women entrepreneurs in driving national growth.

Table 1: Key Indicators of Economic Empowerment through Women Entrepreneurship

Indicator	Data	Source
Potential GDP addition by 2025 (India)	\$770 billion	McKinsey Global Institute, 2022
Share of women entrepreneurs in India	13.76%	MoSPI, 6th Economic Census
Share of women-led MSMEs	~20%	NITI Aayog – Women Entrepreneurship Platform (WEP), 2023
Share of formal women-owned businesses globally	~33%	Global Entrepreneurship Monitor, 2023

Sources: McKinsey Global Institute (2022), MoSPI (6th Economic Census), WEP – NITI Aayog (2023), Global Entrepreneurship Monitor (2023)

3.2 Social Transformation

Beyond economics, women-led businesses are powerful agents of social transformation. Women entrepreneurs tend to reinvest their earnings into their families and communities, prioritizing areas such as children's education, healthcare, nutrition, and sanitation. This creates a virtuous cycle of development that uplifts not just individuals but entire communities. By stepping into traditionally male-dominated roles, women entrepreneurs challenge deep-rooted gender stereotypes and inspire social change. They become role models, encouraging more women to pursue professional ambitions, thereby gradually shifting societal attitudes toward gender roles and equality. Initiatives such as SHGs (Self Help Groups) and women-led cooperatives have also contributed significantly to enhancing women’s voices in community governance and collective decision-making.

3.3 Poverty Reduction and Employment Generation

Women entrepreneurship has a direct impact on poverty alleviation, particularly in low-income and rural regions. Micro, small, and medium enterprises (MSMEs) led by women create employment opportunities for those often excluded from the formal job market, including other women, youth, and marginalized communities. According to a 2023 report by the Ministry of Micro, Small and Medium Enterprises (MSME), women-owned MSMEs in India have collectively generated employment for over 23 million people. Many of these businesses operate in labor-intensive sectors such as agro-processing, textiles, and services, making them effective tools for grassroots job creation. As these businesses scale, they also contribute to skill development and entrepreneurship culture in underserved regions.

Table 2: Women Entrepreneurship and Employment Generation

Indicator	Data	Source
Jobs created by women-owned MSMEs (India)	23 million+	Ministry of MSME, 2023
Women SHG membership (India)	7.2 crore+	DAY-NRLM, MoRD, 2023
Proportion of women SHGs engaged in income generation	63%	MoRD Annual Report, 2023

Sources: Ministry of MSME (2023), Deendayal Antyodaya Yojana – NRLM (MoRD, 2023), MoRD Annual Report (2023)

3.4 Regional Development and Equity

Women-led enterprises significantly contribute to reducing regional disparities by establishing and expanding businesses in backward, tribal, and remote areas. Unlike urban-centric large enterprises, many women entrepreneurs operate from rural and semi-urban regions, bringing investment, infrastructure, and market linkages to areas often neglected by mainstream development. This promotes equitable regional growth and bridges the rural-urban divide. Moreover, women entrepreneurs in these regions are often involved in sustainable and community-based businesses, which further support inclusive and environmentally conscious development. Programs like Deendayal Antyodaya Yojana – National Rural Livelihood Mission (DAY-NRLM) have played a key role in empowering women entrepreneurs in rural India by facilitating credit, training, and market access.

To provide a more comprehensive understanding of the scope and scale of women entrepreneurship, the following data reflects recent statistics from various national and international sources. These figures underscore the economic significance and ongoing challenges faced by women entrepreneurs.

Table 3: Supplementary Data on Women Entrepreneurs (India & Global)

Indicator	Data	Source
Female labour force participation rate in India (2023)	37.0%	World Bank, 2023
Women-led startups in India (2023)	18% of all recognized startups	Startup India, DPIIT
Share of women SHGs engaged in enterprises	63%	MoRD Annual Report, 2023
Average income increases due to SHG enterprise involvement	22–30%	NRLM Evaluation Study, NITI Aayog
Global entrepreneurship activity rate for women (2023)	11.2%	Global Entrepreneurship Monitor (GEM), 2023
Women-owned business share in Africa	Approximately 23%	World Bank, 2023
Percentage of women who cite lack of capital as top barrier	70%+	IFC, World Bank 2023

Sources: World Bank (2023), DPIIT Startup India (2023), MoRD Annual Report (2023), GEM (2023), NITI Aayog, IFC (2023)

4. Government and Institutional Support

4.1 Schemes and Policies in India

The Government of India has launched several schemes and policy initiatives to support women entrepreneurs and encourage their participation in economic activities. These schemes aim to reduce barriers such as lack of access to finance, training, and market linkages. One of the flagship programs is the Stand-Up India Scheme, launched in 2016, which facilitates bank loans between ₹10 lakh and ₹1 crore to at least one-woman borrower per bank branch for setting up a greenfield enterprise. According to the Ministry of Finance, over 1.75 lakh women had benefited from this scheme by March 2023.

Another important initiative is the Pradhan Mantri MUDRA Yojana (PMMY), introduced in 2015 to provide collateral-free loans to micro-enterprises under three categories: Shishu (up to ₹50,000), Kishor (₹50,000–₹5 lakh), and Tarun (₹5 lakh–₹10 lakh). Women constitute nearly 68% of all beneficiaries under this scheme, reflecting its wide reach among female entrepreneurs, especially in rural and semi-urban areas.

The Prime Minister's Employment Generation Programme (PMEGP) is another credit-linked subsidy program aimed at generating self-employment through the establishment of micro-enterprises in the non-farm sector. Implemented by the Khadi and Village Industries Commission (KVIC), the program has benefited many women, who accounted for around 30% of the total beneficiaries in the financial year 2022–23.

In addition to these, the Mahila Coir Yojana, under the Ministry of MSME, provides training and subsidized equipment to rural women involved in coir production. It seeks to modernize coir production through the distribution of motorized ratts and related machinery. Similarly, the TREAD Scheme (Trade-Related Entrepreneurship Assistance and Development) offers financial assistance to NGOs that support women entrepreneurs through training, counseling, and credit linkages. The scheme provides a government grant of up to 30% of the total project cost. Collectively, these policies aim not just to provide financial support but also to create an enabling ecosystem for women to start, sustain, and expand their business ventures.

4.2 Role of NGOs and International Agencies

Apart from government interventions, several NGOs and international development agencies play a crucial role in promoting women entrepreneurship in India. These organizations focus on building entrepreneurial capacity, improving access to capital, providing skill development, and enhancing market connectivity for women-led enterprises.

One of the most notable organizations is the Self-Employed Women's Association (SEWA), which has been working since 1972 to empower women in the informal sector. SEWA supports over two million women across India by offering cooperative business models, financial services, and advocacy for better working conditions. It enables women to gain autonomy over their livelihoods and actively participate in decision-making at the community level.

Another impactful organization is the Mann Deshi Foundation, which has pioneered several innovative initiatives such as India's first women's bank and mobile business schools. It has provided financial literacy training, business development support, and loans to over 600,000 rural women, helping them become financially independent and confident entrepreneurs.

At the international level, UN Women, through programs like "We Empower Asia", collaborates with public and private institutions in India to promote gender-responsive business policies and practices. It advocates for inclusive procurement systems, gender-balanced leadership, and workplace equality. The International Finance Corporation (IFC) also plays a major role. In 2023, IFC launched a \$600 million initiative targeting women-led SMEs in South Asia, including India, to help bridge the financing gap and scale their businesses.

Furthermore, the Goldman Sachs 10,000 Women Initiative, in partnership with Indian educational institutions, provides women entrepreneurs with business education, mentoring, and access to capital. These collaborative efforts between NGOs and international bodies supplement governmental schemes and contribute significantly to the growth of women entrepreneurship in India.

5. Challenges Faced by Women Entrepreneurs

Despite a growing emphasis on gender equality and economic inclusion, women entrepreneurs in India still encounter a variety of challenges that hamper their potential to contribute fully to the national economy. These challenges are structural, cultural, financial, and institutional in nature, creating multiple layers of difficulty that male entrepreneurs often do not face to the same extent.

5.1 Socio-Cultural Barriers

One of the most deeply entrenched barriers to women entrepreneurship in India is the persistence of patriarchal norms and gendered societal expectations. In many parts of the country, women are still expected to prioritize family and household duties over professional aspirations. This dual burden often leaves little time or energy for entrepreneurial activities. According to a report by the World Economic Forum (2023), Indian women perform nearly 10 times more unpaid care work than men, which severely limits their ability to engage in business. Furthermore, the societal perception that business is a “male domain” undermines women's confidence and social legitimacy as entrepreneurs. In some conservative regions, women may also face restrictions on mobility, public speaking, or interaction with male clients and officials, making it difficult to conduct even basic business operations.

5.2 Financial Constraints

Access to financial capital is one of the most significant challenges for women entrepreneurs. Despite targeted financial schemes, many women still struggle to secure funding for their ventures. According to the NABARD All India Rural Financial Inclusion Survey (2023), only about 27% of women have formal access to credit. A major reason is the lack of collateral, as property and land ownership among women is extremely low in India—estimated at just 13% as per the National Family Health Survey-5. Traditional banks often rely on asset-backed lending, making it difficult for women to qualify. Even when women are eligible for credit, they are often offered lower loan amounts and face higher interest rates compared to their male counterparts. Gender bias, insufficient financial literacy, and a lack of familiarity with banking procedures further compound the issue. As per a recent report by the International Finance Corporation (IFC, 2022), the credit gap for women-owned small and medium enterprises (SMEs) in India is estimated to be over \$158 billion.

5.3 Lack of Market Access and Networking

Another critical barrier is limited access to markets and networking platforms. Many women-run enterprises remain confined to the informal sector or to local markets, often selling products from home or within small communities. This isolation restricts growth and innovation. Digital illiteracy and poor internet penetration, particularly in rural areas, prevent many women from tapping into e-commerce opportunities or digital marketing platforms. According to the Internet and Mobile Association of India (2023), only 33% of internet users in rural India are women. Moreover, women lack access to professional networks, mentors, and industry associations that are essential for knowledge-sharing, funding connections, and scaling operations. This absence of social capital and exposure results in fewer collaborations, less innovation, and a lower success rate for women-led businesses.

5.4 Policy and Legal Gaps

While the Government of India has introduced various schemes to support women entrepreneurs—such as Stand-Up India, MUDRA, and the Trade Related Entrepreneurship

Assistance and Development (TREAD) scheme—the effectiveness of these programs is often undermined by implementation gaps and poor outreach. Many potential women entrepreneurs are not even aware of these initiatives due to inadequate information dissemination. Even those who are aware often face bureaucratic delays, complex procedures, and lack of hand-holding support during the application process. According to a 2023 study by NITI Aayog, around 40% of women who attempted to access government entrepreneurship schemes reported difficulty in navigating red tape and meeting eligibility criteria. Furthermore, existing policies are not always gender-sensitive; for instance, laws around property ownership, taxation, and business licensing do not adequately account for the specific needs and constraints faced by women. There is also a lack of integrated support systems—such as business incubators, legal assistance, and training—that are tailored to women entrepreneurs.

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