

Women Entrepreneurship: Policies in India

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Introduction

Women entrepreneurship enables to pool the small capital resources and skill available with women. It paves the way for fuller utilization of capital and also mobilizes the female human potential. Entrepreneurship is suitable to women and it is possible to do work when she has free time. Self-employed women has no restrictions and time bound work which makes it easy for her to manage the responsibilities of work, home and child at a time. Secondly, it is convenient for women to be in control of a small business. This pattern of working in small business suits her dual role. With this, there is a growing realization that the strength of a country is in the small business. Women entrepreneurship in India has come a long way from papads and pickles to engineering and electronics. Nowadays elite women in cities are making a mark in non-conventional fields such as consultancy, garments exporting, interior designing, textile printing, food processing, chemicals, pharmaceuticals etc. Women entrepreneurs are the women or a group of the women who initiate, organize and operate business enterprise.

According to The National Knowledge Commission (NKC) -2008

“Entrepreneurship is the professional application of knowledge, skills and competencies and/or of monetizing a new idea, by an individual or a set of people by launching an enterprise de novo or diversifying from an existing one (distinct from seeking self employment as in a profession or trade), thus to pursue growth while generating wealth, employment and social good”

“An enterprise owned and controlled by a woman having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generated in the enterprise to women.” – **Government of India**

After understanding the above definitions, we believe that women's entrepreneurship means business activities led by the self-interest of women, engaging in all business activities, managing resources, and being ready to bear the risk of business results. Women participation in the labour force is a dynamic measurement of women's contribution to the labour market in the country. India's Female Labour Force Participation Rate (FLFPR) has seen a significant rise, reaching around 41.7-42% in 2023-2024 from 23% in 2017-18. This observation suggests that the increase is primarily driven by rural women, indicating that many rural women are showing an interest in entrepreneurship. There is also a decline in unemployment. But still there is a gap in women led business entities in comparison with the total business entities is major concern even today. This is mainly attributable to low female literacy rate, poor entrepreneurship skills, absence of family support, lack of financial assistance, poor marketing knowledge, over responsibilities of family, lack of government policies, and poor awareness on entrepreneurship etc. However, in recent days governments and financial institutions recognized the essence of developing women entrepreneurship in the country, particularly in rural areas of the country. This led to the introduction of several finance and skills development schemes by the central and State governments, which assist in setting up training-cum-income generating activities for needy women to make them economically independent. In addition, financial institutions have also

started offering customised loans to cater for the different needs of women entrepreneurs in the country.

Government Policies and Programmes for Women Entrepreneurship:

- **Prime Minister's Employment Generation Programme (PMEGP)** : Prime minister's employment generation programme is a prestigious national level scheme of the central government to promote employment through entrepreneurship in the country. This scheme was started in 2008 with club of two old schemes i.e. Rojgar Yojana and Rural Employment Generation programme.
- **COIR UDYAMI YOJANA SCHEME (CUYS)**: Coir industry is one of the most women-driven industries in India where around 5 Lakh women are working in this industry in the activities of fibre extraction and spinning. The industry carried out large activities in the areas where coconut production is higher. The MSME sector recognized significance of this industry in women development which led to establishment of CUYS in 2014 with the intention of generating more employment for the women living in rural areas.
- **Mudra Yojana Scheme**: Pradhan Mantri Mudra Yojana is an initiative of Indian Government towards provision of collateral free funds to Micro/Small scale businesses and to improve the situation of unorganised, non-cooperative industries and informal sector in Indian market. It would create employment opportunities in the rural as well as urban area. Even though male are eligible under this scheme, but female dominance appears very clear in each aspect of the scheme.
- **Credit Guarantee Trust Fund for micro & small enterprises (CGT MSE)** : The ministry of MSME and SIDBI jointly started credit guarantee fund in the form of trust for micro and small enterprises in the year of 2000. Both new and existing entrepreneurs are eligible under the scheme. The individual women are eligible under this scheme where self-help groups are out of the purview of the scheme.
- **Skill Upgradation And Mahila Coir Yojana (MCY)**: Mahila Coir Yojana is a sub scheme of coir vikas yojana under which coir processing and value addition training is provided to potential women workers, coir artisans and entrepreneurs. The main intention of this scheme is provide self employment opportunities to women artisans living in rural areas where coconut processing is huge.
- **Trade Related Entrepreneurship Assistance and Development scheme: (TREAD)**TREAD is national level scheme designed and executed specifically for economic empowerment of women entrepreneurs in India in 2004. This scheme is engaged in development of women entrepreneurs in multi dimensional ways such as financial assistance (thorough NGOs), training, development and counseling activities. The total number of 2.2 crore women have benefitted under this scheme until 2025.
- **Annapurna Scheme**: Annapurna scheme is offered by government of India along with co-partner of State Bank of Mysore. This is financial assistance scheme specially designed to provide financial support to the women engaged in food catering business activities.
- **Mahila Adhikariak Yojana (MAY)**: Ministry of Social Justice and Empowerment announced a financial assistance scheme project cost of Rs 200000 for safai karmachari and scavenger women and their daughters engaged in minor or petty business or trade or income generating activities.
- **Niryat Bandhu Scheme (NBS)**: Niryat Bandhu scheme is a training programme for new generation entrepreneurs of small and medium enterprises to expand their business

activities from domestic to global markets. This scheme was started in India on 13th November 2011 by Directorate General of Foreign Trade and Government of India. This scheme was started in 12th year plan for four years with cost of Rs 23.23 Cr. This scheme is still in progress. This is very excellent scheme for women entrepreneurs to enhance their potentiality in business and to expand their wings to global markets.

- **Stree Sakthi Package for Women Entrepreneurs (SSPWE):** This is financial assistance scheme of State Bank of India for both new and existing women entrepreneurs engaged in the activities of retail trade, manufacturing and service sectors. This is also highly beneficial scheme for women entrepreneurs engaged in business and professional services.
- **Baharatiya Mahila Business Loan (BMBL):** This is another financial assistance scheme for women entrepreneurs offered by financial institutions particularly Bharathiya Mahila Bank. The main intension of the scheme is to promote economic empowerment of small and medium enterprises in rural and urban areas of the nation.
- **Udyogini Scheme:** Women Development Corporation initiated this scheme to provide subsidized financial assistance to women entrepreneurs from rural and underdeveloped areas of the country. These loans are provided thorough financial institutions working in the respective States. The primary objective of the schemes deals with promotion of self reliance of women through economic empowerment and entrepreneurship.
- **CentKalyani Scheme:** Cent Kayani scheme is offered by central bank of India to both new and existing entrepreneurs to meet their capital expenditure and working capital requirements.
- **Pradan Manthri Rozgar Yojana:** Pradan Manthri Rozgar Yojana is a central government scheme started in 1993 to turn unemployed youth and women into successful entrepreneurs through providing self employment opportunity. The scheme provided financial assistance to youth and unemployed women to establish their own business units.
- **Mahila Udyam Nidhi Scheme:** This is another collateral-free loan available to women entrepreneurs by the Small Scale Industrial Development Bank of India. The women entrepreneurs engaged in all manufacturing, trading and services activities are eligible for this loan. The Self Help Groups can also avail this loan. The loan is specifically designed to micro enterprises engaged in non-agricultural industries.
- **Karnataka Kayaka Yojana:** This is a comprehensive entrepreneurship development scheme for women living in rural and urban areas of Karnataka. This scheme is announced by the Karnataka government in the budget of 2018-19. The scheme provides financial assistance, skill development and training programmes.
- **Dena Shakti Scheme :** This is also financial assistance scheme adopted by Dena Bank to encourage women entrepreneurs engaged in activities of agricultural, allied activities, micro, small enterprises, retail trade, micro credit, education and housing.
- **Attal Innovation scheme:** This is another new scheme started by government of India with initiation of NITI Aayog in 2016 to promote the culture of innovation and entrepreneurship among the young generations in India. This scheme specially focused on the young generation who has high potential business ideas but lack in execution skills, knowledge and lack of financial support. This scheme helps women to develop entrepreneurial skills during their education.

WOMEN ENTREPRENEURSHIP DEVELOPMENT PROGRAMMES

- **Startup India Programme:** Standup India programme was launched in February 2016 with an intention of creating a conducive environment for startups in India through handholding, financial support, incentives etc. Under this scheme every bank has to grant loan worth of Rs 10 Lakh to Rs 1 Cr to at least one SCs, STs and one woman. As of late 2024-2025 over 760000 startups have atleast one women director. Therefore, this scheme emerged as one of the largest schemes with more than 80% beneficiaries being women.
- **Support to training and employment programme for women (STEP):** This programme is organizing by Department of Women & Child Development and social welfare in India. This scheme was started in 1986-87. The objective of the scheme is to provide skills to build competence among the women living in remote areas of the country.
- **Micro & Small Enterprises Cluster Programme (MSE- CDP):** Government of India merged Cluster Development scheme and Integrated Infrastructure Development schemes and started new scheme as MSE-CDP since 2007. This scheme emphasized on the development entrepreneur's clusters rather than individual entrepreneurs. The clusters groups are generally in the range of 100-200 enterprises, financial assistance is also distributors among the groups rather than individuals. The importance has given to women clusters in the scheme.
- **Telangana State Industrial Development and Entrepreneur Advancement (T-IDEA) Scheme:** This is a specialised incentive scheme of the Telangana government that provides incentives for expansion and diversification of business enterprises by tiny and small enterprises operating in Telangana. T-IDEA incentive programme was started in 2016. The financial subsidy is available up to Rs 20 Lakh to general entrepreneurs and up to Rs 30 Lakh for women-led enterprises in Telangana.
- **Entrepreneurship Skill Development Programme:** This is a training programme organized for promotion of entrepreneurship skills in youth either male or female. This is specialized prgoramme conduct to enlighten the young entrepreneurs to start their own businesses/ventures/units etc which promotes self-employment.
- **Entrepreneurial and Managerial Development of SMEs through Incubators: This is institutional funding programme for institutions such as IITs, NITs, colleges, research institutions to set up incubator for promotion of business Ideas. These incubators get special assistance on the basis women participation.**

WOMEN ENTREPRENEURS PORTALS IN INDIA

Apart from the various policies initiated by the Government, there are also certain platforms that help women engaged in entrepreneurship.

- **The women Entrepreneurship platform (WEP)** has a total of 30000 registered users and over 400 mentors is actively guiding the women entrepreneurs.
- **UDYAM SAKHI :** It is national level portal of women entrepreneurs in India started by ministry of MSME on women's day i.e. March 2018. This is net work aimed of reducing social inequalities through creation of low cost products and services business models in the country.

- **Dedicated Portal and Helpline:** Telangana State started a portal to provide end to end services for startups across the state. There's a helpline number for responsive queries relating startup initiatives and incentives in the state.

WOMEN ENTREPRENEURS ASSOCIATIONS IN INDIA:

- **SELF EMPLOYED WOMEN'S ASSOCIATION OF INDIA (SEWA BHARAT)**
SEWA bharat was established in 1984 as an organization of self employed women's working in formal economy of the India.
- **Association of Lady Entrepreneurs of India (ALEP):** This is a common platform to women entrepreneurs who wants to achieve their targets with collective efforts of other entrepreneurs and improve their socio-economic conditions through entrepreneurship. ALEP is one of the premier associations for women entrepreneurship in India. This is established as a non-profit organization in 1993 and registered under companies Act 1956.
- **WOMEN ENTREPRENEURS- HUB (WE-HUB):**
This is India's first State led incubators aimed at promotion and foster women led enterprises in the country and accelerating to accept global markets from the country and State regions. WE-Hub started by Telangana government on March 8th 2018, this concept born in Global Entrepreneurship Summit 2017 hosted in Hyderabad. This hub works for women entrepreneurs to access technical, financial, government and policies support to start and enhance their business activities. This hub has 121 partners and engaged with 6376 women led business enterprises in the country. WE- Hub helps women entrepreneurs to access capital, mentors, infrastructure, supporting services and strategic consulting.
- **Confederation of Women Entrepreneurs (COWE):**
Confederation of Women Entrepreneurs is an NGO/Social organization working for the socio-economic development of women through entrepreneurship. COWE organizes number of webinars, EDP and awareness programmes for women entrepreneurs.
- **Federation of Indian Women Entrepreneurs (FIWE):** This is a prestigious national level organization working for the development of women entrepreneurs in the country since 1993. This was registered under the Societies Act in 1999.
- **ASSOCIATION OF WOMEN ENTREPRENEURS OF KARNTAKA (AWAKE) :**
AWAKE is not profit and non-governmental organisation established in December 1983 by seven successful entrepreneurs of Karnataka State with an aim of economic empowerment of rural women through entrepreneurship development.
- **Women Entrepreneurs Development Council (WEDC):** The Women Entrepreneurs Development Council is an organisation working as a platform for the promotion of women startups and integrating the women entrepreneurs from multiple sectors in the country.
- **State Innovation Council – Telangana:** The Telangana government initiated “State innovation policy” in April 2016 under which special exemptions and preferences are given to women enterprises.
- **Development of Women and Children in Rural Areas (DWACRA):** DWACRA scheme was started in Self Help Group form with an aim to improve the socio-economic status of the poor women in the rural areas through creation of groups of women for income-generating activities on a self-sustaining basis.

Current Status of Women Entrepreneurs in India (2025): Key Statistics & Growth Trends

- Women constitute ~14–15% of total entrepreneurs in India, representing about 8 million women-led enterprises.
- Over 73,151 startups led by women have been officially recognized under the Startup India Initiative (as of Oct 2024).
- 50% of all Indian startups now have at least one woman director, showing strong leadership presence.
- Women own ~22% of MSMEs, contributing significantly to employment generation.
- Women-led startups received ₹3,107 crore via AIFs and ₹227 crore through Seed Fund schemes, showing increasing financial backing.

Conclusion

Women entrepreneurship policies in India have played a crucial role in promoting economic inclusion, employment generation, and gender equality. Government initiatives such as **Stand-Up India, Mudra Yojana, Mahila E-Haat, Startup India, and the National Policy for Skill Development etc.**, have significantly improved women's access to finance, training, markets, and institutional support. These policies have helped in enhancing women's participation in micro, small, and medium enterprises (MSMEs), contributing to inclusive and sustainable economic growth. Despite these positive developments, several challenges persist, including **limited financial literacy, social and cultural barriers, lack of mentorship, market access constraints, and digital divide**, particularly in rural and semi-urban areas. To maximize the impact of existing policies, there is a need for better implementation, continuous monitoring, capacity-building programs, digital empowerment, and stronger public-private partnerships.

In conclusion, while India has made commendable progress in framing supportive policies for women entrepreneurs, sustained efforts focusing on **skill enhancement, financial inclusion, technological adoption, and socio-cultural transformation** are essential to create a truly enabling entrepreneurial ecosystem for women. Strengthening women entrepreneurship will not only empower women economically but also contribute significantly to **national development, innovation, and social equity**.

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