



ORIGINAL RESEARCH PAPER

Economics

ENTREPRENEURSHIP AS A PATHWAY TO EMPOWER RURAL WOMEN IN INDIA

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Dr. Sanjeeva Kumara

Lecturer, Department of Economics, KLE Society's, Gudleppa Hallikeri Arts, Science and Commerce College, Haveri-581110

ABSTRACT

Entrepreneurship has emerged as a crucial mechanism for the empowerment of rural women in India. By providing economic independence, decision-making power, and improved social status, entrepreneurial ventures have transformed the lives of women in rural areas. This paper explores the role of entrepreneurship in women's empowerment, identifies challenges faced by rural women entrepreneurs, and highlights various government and non-government initiatives that promote women entrepreneurship. The paper concludes by suggesting strategies to strengthen women-led entrepreneurship for sustainable rural development. This study examines the role of entrepreneurship in empowering rural women in India, focusing on the economic, social, and psychological dimensions of empowerment. The paper analyses how government initiatives—such as the National Rural Livelihoods Mission (NRLM), MUDRA Yojana, Stand-Up India, and Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY)—have contributed to strengthening women's entrepreneurial capacities. In addition, the growth of Self-Help Groups (SHGs), microfinance institutions, and digital financial inclusion has played a crucial role in promoting enterprise development among rural women.

INTRODUCTION

Empowerment of women is essential for the holistic development of any society. In rural India, women constitute nearly half of the population but remain largely under-represented in the workforce. Entrepreneurship provides an avenue for them to overcome social, cultural, and economic barriers. Through entrepreneurship, rural women can generate income, create employment opportunities, and contribute to community development. Rural women's entrepreneurship is not just a means of livelihood; it is a process of gaining control over resources, developing skills, and improving self-confidence.

Objectives of the Study

1. To understand the role of entrepreneurship in empowering rural women.
2. To examine the challenges faced by rural women entrepreneurs in India.
3. To analyze the impact of government initiatives in promoting rural women entrepreneurship.
4. To suggest measures to enhance women's participation in entrepreneurial activities.

Review of Literature

Several studies have established a link between entrepreneurship and women's empowerment. According to the National Sample Survey Office (NSSO), women-owned enterprises contribute significantly to rural economic growth. Scholars like Sharma (2019) and Kumar (2021) have emphasized that entrepreneurship helps women gain financial independence and enhances their social status. However, constraints such as limited access to finance, lack of education, and socio-cultural restrictions remain major challenges.

Role of Entrepreneurship In Empowering Rural Women

1. **Economic Empowerment** Entrepreneurship provides rural women with independent sources of income, allowing them to contribute financially to their households. This financial independence reduces dependence on male family members and improves their bargaining power in household decisions. With steady earnings, women can invest in better education for their children, save money, acquire assets, and achieve greater economic security. Entrepreneurship thus opens pathways for upward mobility and long-term stability.
2. **Social Empowerment** When women engage in business activities, they gain visibility and recognition within their communities. Successful entrepreneurs are often viewed as role models, breaking traditional gender roles.

Participation in markets, training programs, and SHG activities helps women build networks and expand social interaction beyond their homes. This enhances their mobility, improves their status in society, and gradually contributes to changing social norms regarding women's roles.

3. **Political Empowerment** Entrepreneurial women frequently become more aware of their rights and entitlements. Their increased confidence and social standing encourage them to participate in local governance, such as Gram Sabhas and Panchayati Raj institutions. Many women involved in SHG or cooperative-based enterprises take up leadership roles, influencing community decisions. This political participation helps ensure women's voices are heard in local planning and policy discussions.
4. **Psychological Empowerment** Running a business strengthens women's self-esteem, decision-making ability, and leadership qualities. The experience of managing finances, interacting with customers, and overcoming challenges builds confidence and a sense of identity. Women feel more capable and motivated to engage in public activities, pursue new opportunities, and challenge traditional restrictions. This psychological boost is often the foundation for broader social and economic empowerment.

Challenges Faced By Rural Women Entrepreneurs

1. **Lack of Education and Training** Many rural women have low literacy and limited access to skill training. This affects their ability to maintain accounts, use technology, understand markets, and manage enterprises confidently.
2. **Limited Access to Credit** Women often lack collateral, financial independence, and awareness of loan schemes. As a result, they depend on small loans or an informal lender, which restricts business growth and investment.
3. **Socio-Cultural Barriers** Traditional norms limit women's mobility and decision-making. Household responsibilities, family resistance, and male-dominated marketplaces reduce their time, confidence, and freedom to run enterprises.
4. **Inadequate Infrastructure** Poor roads, electricity shortages, limited internet, and lack of transport make production and marketing difficult. Women operating from home struggle to access shared facilities or technology.
5. **Lack of Market Linkages** Women face difficulties in reaching profitable markets due to low market awareness, dependence on middlemen, weak branding, and limited

access to digital platforms. This reduces profits and enterprise expansion.

4. NSSO Report on Unincorporated Non-Agricultural Enterprises (2022).
5. World Bank (2021). Gender Equality and Economic Development in India.

Government Initiatives For Promoting Rural Women Entrepreneurship

1. Stand Up India Scheme (2016) This scheme provides collateral-free loans (₹10 lakh to ₹1 crore) to women entrepreneurs for setting up new enterprises. It helps rural women access formal credit and start small manufacturing or service units. However, awareness and documentation requirements remain challenges.
2. Mahila E-Haat An online marketing platform launched by the Ministry of Women and Child Development, it allows women to display and sell their products directly to customers. It improves market access and reduces dependence on middlemen, but digital literacy and internet access are still barriers in rural areas.
3. Rural Self Employment Training Institutes (RSETIs) RSETIs offer free skill training, entrepreneurship development, and handholding support to rural youth and women. These trainings help women gain business skills and technical knowledge. However, attendance is sometimes affected by mobility restrictions and household responsibilities.
4. Deendayal Antyodaya Yojana – NRLM DAY-NRLM promotes women Self-Help Groups (SHGs), provides credit linkages, livelihood support, and entrepreneurship training. It strengthens collective action and improves access to finance. The program has wide reach but SHGs often need stronger market linkages and advanced skills to scale.
5. Mudra Yojana Through Shishu, Kishor, and Tarun loan categories, Mudra provides small loans to micro-enterprises. Many rural women use these loans for tailoring, retail, dairy, and food processing. Its limitation is that loan amounts are often small and may not support larger or high-growth enterprises.

Case Studies

- Lijjat Papad (Maharashtra): A cooperative started by seven women in 1959, empowering thousands of rural women.
- Amul Dairy Cooperatives (Gujarat): Women-led dairy entrepreneurship driving rural transformation.
- Kudumbashree (Kerala): A strong network of women entrepreneurs in micro and small enterprises.

Suggestions And Recommendations

1. Strengthen women's access to finance through micro-credit and cooperative banks.
2. Provide regular entrepreneurship and digital literacy training.
3. Encourage marketing linkages through e-commerce platforms.
4. Develop rural infrastructure to support business activities.
5. Create awareness campaigns to challenge social barriers.

CONCLUSION

Entrepreneurship has immense potential to empower rural women in India by fostering financial independence, leadership, and self-reliance. With adequate support in terms of education, finance, and infrastructure, women can become key drivers of inclusive and sustainable rural development. Empowering rural women entrepreneurs is not only a social necessity but also an economic imperative for the nation's growth.

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