

RURAL WOMEN AND ENTREPRENEURSHIP: A KEY TO INDIA'S ECONOMIC SUCCESS

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Abstract:

Women's entrepreneurship is a cornerstone for inclusive and sustainable development, especially in rural India. It not only enhances household income but also promotes community well-being and fosters local innovation. Despite its significance, women entrepreneurs face disproportionately higher barriers compared to their male counterparts. Factors such as infrastructural deficits, socio-cultural biases, patriarchal norms, limited access to credit and land ownership, low digital literacy, and cumbersome legal frameworks hinder their growth and discourage participation. Many women lack formal education or business training, further compounding these issues. Moreover, evolving market dynamics, technological advancements, and globalization demand continual skill enhancement—an area where many rural women still lack adequate institutional support and mentorship. Limited mobility and networking opportunities also restrict their outreach and scalability. This paper examines the pivotal role of rural women entrepreneurs in India's economic landscape, highlighting the challenges they face and the transformative potential of empowering them through strategic interventions, inclusive financial systems, educational programs, digital access, and targeted policy reforms aimed at fostering a more equitable entrepreneurial ecosystem.

Keywords:

Women Entrepreneurship, Rural Economy, Socio-economic development, Skill development, Gender Inclusion, Policy Reforms, Digital Empowerment.

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I. Introduction

The progress of a nation depends significantly on the effective use of its human and material resources. Entrepreneurship plays a central role in economic transformation by enabling innovation, generating employment, and optimizing resource utilization. It serves as a catalyst for structural change by encouraging the development of new industries, improving productivity, and fostering competition. Industrial growth, rooted in a robust entrepreneurial ecosystem, is a key driver of socio-economic change. In India, a noticeable rise in entrepreneurial activity—particularly among women—is contributing to a more diversified and resilient economy. This shift is not only enhancing economic inclusivity but also strengthening rural and urban linkages. Women-led enterprises are increasingly recognized for their ability to create jobs, uplift communities, and drive sustainable development. However, to maintain and accelerate this positive trend, creating an enabling environment is essential. This includes access to finance, capacity-building initiatives, supportive infrastructure, and policies that reduce gender disparity and encourage innovation across all sectors.

II. Objectives and Research Methodology

2.1 Objectives

1. To explore the contribution of women entrepreneurs to India's economic development.
2. To assess the changing dynamics of women-led enterprises and their role in national growth.
3. To analyze the socio-economic impact of rural women's entrepreneurship.

2.2 Research Methodology

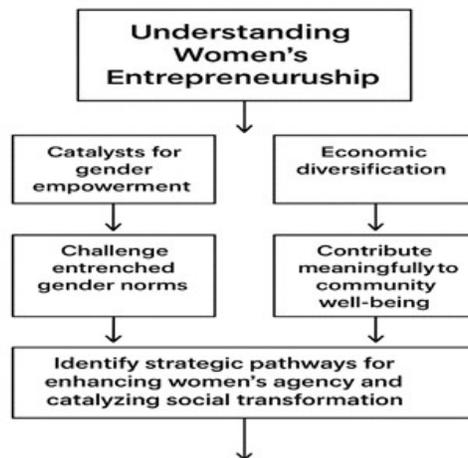
This study adopts a qualitative approach, which is particularly effective in understanding complex social realities. It relies on interviews, document analysis, and participant observation to gather in-depth insights. Such a method facilitates an exploration of lived experiences, motivations, and challenges faced by women entrepreneurs, especially those operating in rural and informal sectors.

III. Understanding Women's Entrepreneurship

Women's entrepreneurial initiatives are increasingly being recognized as catalysts for gender empowerment and economic diversification. In the context of a rapidly changing global economy, women's participation in entrepreneurship is no longer seen merely as a supplement to household income, but as a vital component of inclusive growth and sustainable development. Particularly in rural India, entrepreneurship offers women a means to challenge entrenched gender norms, achieve financial independence, and contribute meaningfully to community well-being. It

provides them with opportunities to assert their identity, gain decision-making power within families, and become role models for other women in their communities.

Despite facing numerous challenges such as lack of access to formal education, financial constraints, limited mobility, and societal restrictions, rural women continue to demonstrate resilience and innovation in building small and medium-scale enterprises. From agricultural ventures to handicrafts, food processing, and digital services, their contributions are shaping local economies and creating ripple effects across generations. This research seeks to identify strategic pathways through which entrepreneurship can enhance women's agency and catalyze broader social transformation. It also aims to explore the role of supportive policies, community networks, digital literacy, and capacity-building programs in empowering women to overcome barriers and thrive as entrepreneurs in both rural and semi-urban settings.



IV. Women Entrepreneurs as Agents of Socio-Economic Change

Women constitute nearly half the global population, yet their participation in economic activities often remains under-leveraged and under-recognized. In both developed and developing nations, entrepreneurial ventures led by women have proven to drive inclusive growth, create employment opportunities, and foster community development. Their contributions are crucial for achieving equitable and sustainable economic progress. Motivations for entering entrepreneurship vary—some women are driven by a desire for autonomy, self-fulfillment, and the opportunity to innovate (“pull” factors), while others are compelled by necessity, family

obligations, or adverse life circumstances (“push” factors). In recent years, many Indian women have shifted from being job seekers to becoming job creators, especially in digital, agricultural, home-based, and informal sectors.

While some embark on business ventures from personal ambition and passion, others do so due to socio-economic disruptions such as loss of employment, family crises, gender-based discrimination in the formal workforce, or lack of financial security. Despite the multifaceted challenges—ranging from lack of access to capital, mentorship, and markets to persistent gender stereotypes—women-led enterprises have increasingly been acknowledged for their resilience, adaptability, and innovation. They not only drive economic change but also contribute significantly to social empowerment and community resilience, making women’s entrepreneurship a cornerstone of inclusive development strategies.

V. Role and Impact in India

Rural women dominate the micro-enterprise sector in India, playing a pivotal role in sustaining household incomes and supporting community livelihoods. Statistics indicate that women own a majority of micro-enterprises, particularly in rural and semi-urban regions, although their representation in medium and large-scale enterprises remains limited. This disparity highlights the structural challenges and gendered barriers that restrict women’s upward mobility within the entrepreneurial ecosystem. Women often juggle multiple roles—balancing business responsibilities alongside domestic chores, caregiving duties, and community obligations—making their contribution both visible and invisible in official economic data. As a result, a significant portion of their labor remains unrecognized and undervalued in national accounting systems.

Despite playing a crucial role in India’s Micro, Small, and Medium Enterprises (MSME) sector, the contributions of women entrepreneurs are frequently undocumented and underappreciated. The dominance of women in the informal sector—particularly in cottage industries, food processing, artisanal crafts, textile weaving, and traditional handicrafts—reflects a pattern of economic engagement shaped by socio-cultural expectations and gender norms. These enterprises often operate with minimal capital, limited access to technology, insufficient institutional support, and constrained market linkages. Nevertheless, they form a vital component of India’s economic fabric, especially in rural areas, where they provide employment, preserve indigenous skills, and contribute to community development and poverty alleviation.

VI. Regional Spotlight: Northern India and Women’s Entrepreneurial Agency

Northern India, comprising states like Uttar Pradesh, Haryana, Punjab, Uttarakhand, and Rajasthan, presents a distinctive socio-economic landscape that both challenges and fosters rural women’s entrepreneurial ambitions. These regions

are deeply rooted in tradition and characterized by rigid gender roles, yet they also reflect emerging stories of women-led enterprises that are gradually reshaping rural economies. The juxtaposition of conventional norms with the growing aspirations of women creates a complex, yet dynamic, environment for entrepreneurship.

Despite enduring conservative socio-cultural expectations, a slow but steady shift is being observed, wherein women are asserting themselves as capable entrepreneurs and economic contributors. From dairy cooperatives in Haryana to self-help group-based microenterprises in eastern Uttar Pradesh, the region reflects both the hurdles and the vast untapped potential of rural women's entrepreneurship. Additionally, women in parts of Punjab and Rajasthan have entered sectors such as organic farming, agro-tourism, and textile production, demonstrating increasing confidence and innovation.

As highlighted by the Ministry of Women and Child Development (2022), "The entrepreneurial spirit among rural women in Northern India, once latent, is now a visible force of economic revitalization, driven by community support and policy incentives." Programs such as the Rural Livelihoods Mission (NRLM), the Mahila Kisan Sashaktikaran Pariyojana (MKSP), and state-level initiatives like One District One Product (ODOP) in Uttar Pradesh have contributed significantly to this change by providing infrastructure, market access, capacity-building programs, and credit facilities.

In districts like Meerut, Aligarh, and Gorakhpur, women-run enterprises in handicrafts, food processing, tailoring, and handmade goods are not only creating jobs but also serving as platforms for skill dissemination, intergenerational learning, and community leadership. These success stories underscore the broader thesis that empowering rural women is key to regional development, poverty alleviation, and national economic sustainability.

However, the journey is far from uniform. Many women continue to face barriers such as limited mobility, patriarchal resistance, digital illiteracy, lack of access to formal financial services, and inadequate exposure to modern markets. Bridging these persistent gaps through inclusive policy frameworks, community sensitization, mentorship, and targeted capacity-building initiatives remains a critical and urgent need for the holistic advancement of women entrepreneurs in Northern India.

VII. Economic Contributions

i) Capital Formation:

Women entrepreneurs significantly contribute to capital formation by channeling household and community savings into productive ventures. Instead of letting savings remain idle, women often invest them into income-generating activities such as small-scale manufacturing, retail, agriculture, or services. This mobilization of grassroots-level resources plays a vital role in stimulating national investment,

supporting industrial expansion, and driving financial inclusion, particularly in rural and underserved areas.

ii) Enhancement of Per Capita Income:

By converting untapped human and material resources into viable business activities, women entrepreneurs help increase the national income and enhance overall productivity. Their involvement in various sectors leads to more effective use of local labor and materials, contributing to a rise in per capita income and improving the standard of living for many households.

iii) Employment Creation:

Through small businesses, home-based work, and micro-enterprises, women generate employment opportunities not only for themselves but also for others within their communities. They often employ other women, thus reducing dependency, fostering inclusive growth, and creating localized employment ecosystems that support economic resilience during periods of downturn or crisis.

iv) Innovation and Value Creation:

Women bring distinct perspectives to entrepreneurship, often identifying niche markets or overlooked needs. Their ventures commonly emphasize resourcefulness and sustainability, particularly in resource-constrained environments. From developing eco-friendly products to introducing culturally relevant services, women's innovative contributions enhance value creation and contribute to the competitiveness of local economies.

v) Broader Economic and Social Roles:

Beyond measurable economic gains, women entrepreneurs also promote sustainability, community engagement, and social reform. Their leadership often leads to positive shifts in consumption patterns, education, health awareness, and environmental stewardship. Women-run enterprises frequently reinvest profits into their families and communities, amplifying the social impact of their economic activities and laying the foundation for long-term, inclusive development.

VIII. Role and Impact in India

Rural women dominate the micro-enterprise sector in India, contributing significantly to local economies and community livelihoods. Statistics indicate that women own a majority of micro-enterprises, especially in sectors such as agriculture, food processing, handicrafts, tailoring, and other home-based industries. However, their representation in medium and large-scale enterprises remains limited, largely due to structural barriers such as restricted access to capital, lack of formal education, limited market exposure, and entrenched gender norms.

Women often juggle business responsibilities alongside domestic chores and caregiving roles, making their economic contribution both visible and invisible in official data. This dual burden, though overlooked in mainstream policy discourse, highlights the resilience and determination of rural women entrepreneurs. Despite playing a crucial role in India's Micro, Small, and Medium Enterprises (MSME) sector, their efforts frequently go undocumented and underappreciated due to their presence in the informal economy.

The dominance of women in the informal sector—particularly in cottage industries, food processing units, textile weaving, and traditional handicrafts—reflects a pattern of economic engagement shaped by socio-cultural expectations. These enterprises often operate with minimal capital, limited technological resources, and inadequate market access. Nevertheless, they form a vital component of India's economic fabric, especially in rural areas, by generating employment, preserving traditional skills, and fostering community development. Recognizing and supporting their role is essential for building an inclusive and resilient economy.

Role and Contribution of Women Entrepreneurs in India

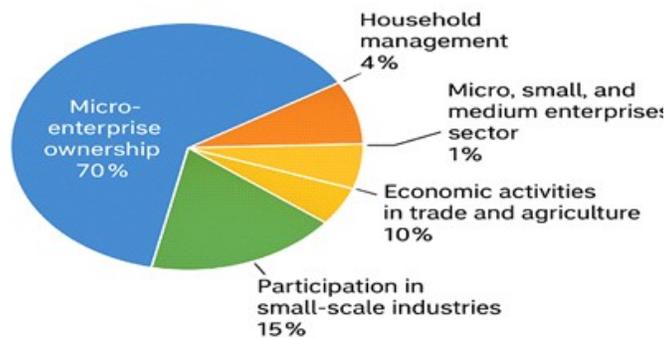


Fig. 1. Role and Contribution of Women Entrepreneurs in India

IX. Economic Contributions

i) Capital Formation:

Women entrepreneurs contribute to capital formation by channeling household and community savings into productive ventures. This mobilization of resources facilitates national investment and supports industrial expansion.

ii) Enhancement of Per Capita Income:

By converting untapped resources into viable business activities, women entrepreneurs help increase the national income and improve per capita productivity.

iii) Employment Creation:

Through small businesses and micro-enterprises, women generate employment opportunities for themselves and others, reducing dependency and fostering economic resilience.

iv) Innovation and Value Creation:

Women bring unique perspectives to entrepreneurship, often leading to creative solutions, new product development, and improved service delivery. Their innovations—especially in resource-constrained environments—boost local economies.

v) Broader Economic Roles:

Beyond economics, women entrepreneurs promote sustainability, community engagement, and social reform. Their leadership can inspire change in consumption patterns, education, and health practices within their communities.

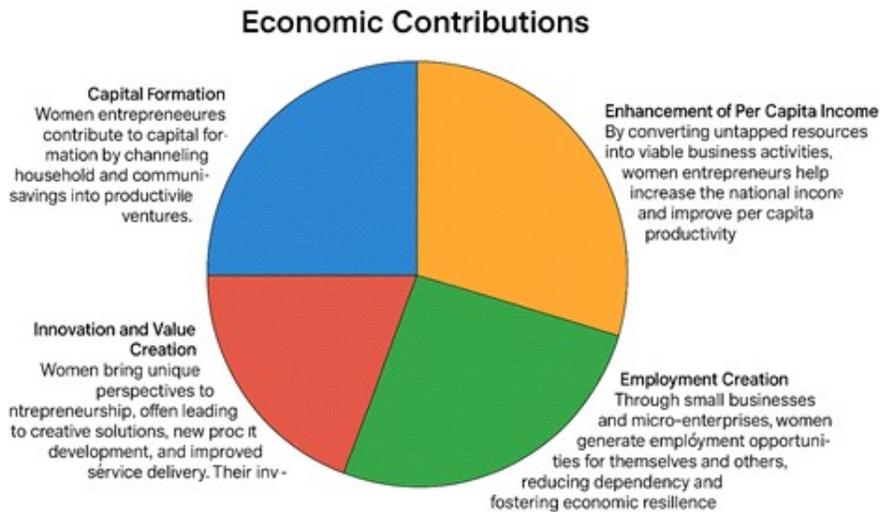


Fig. 2. Economic Contributions

X. Social Contributions

i) Equitable Regional Development:

Women entrepreneurs play a vital role in reducing regional disparities by establishing businesses in underserved, marginalized, and remote areas where economic opportunities are often limited. By initiating micro and small-scale enterprises in their localities—ranging from agro-based industries and tailoring units to eco-friendly product ventures—they bring economic activity to areas often bypassed by larger commercial investments. This decentralization of entrepreneurship

promotes balanced regional development, reduces migration to urban centers, and contributes to rural revitalization. Government schemes and incentives for rural women entrepreneurs, such as subsidies, training programs, and credit linkages, further encourage this localized and inclusive growth.

ii) Improved Standards of Living:

Through enterprise creation, women not only generate income for themselves but also facilitate access to essential goods and services for their communities. Their involvement in sectors such as food production, health care, education, and retail improves the availability of affordable and culturally relevant products. This, in turn, elevates community well-being, promotes self-reliance, and fosters collective social development. Women-led businesses often prioritize reinvestment into education, health, and household needs, thereby contributing to a cycle of upliftment for future generations.

Women's dual role in both the economic and domestic spheres makes them powerful agents of change. When supported with the right tools, education, digital literacy, and opportunities for growth, they not only transform their own lives but also drive broader societal transformation, breaking cycles of poverty and dependency.

XI. Case Study: Empowering Women Through Enterprise – The Meerut Model

Meerut, a prominent district in western Uttar Pradesh, offers a compelling case of how targeted support mechanisms and community-led initiatives can empower rural women to transition from homemakers to entrepreneurs. The district is known for its vibrant sports goods, garment manufacturing, and food processing industries, sectors where women have begun to play increasingly active roles.

In villages such as Jalalpur, Mawana, and Sardhana, women's self-help groups (SHGs) supported by the National Rural Livelihood Mission (NRLM) have launched micro-enterprises in pickle-making, papad production, handicrafts, and hand embroidery. These ventures, though small in scale, are often intergenerational and community-centric, allowing skill transmission and cooperative work environments.

A local initiative, "Stree Shakti Vikas Samiti," has trained over 500 women in basic accounting, digital payments, and sustainable packaging practices. Many beneficiaries now operate independently or in cooperatives, supplying goods to local markets and e-commerce platforms like Amazon Karigar and Government E-Marketplace (GeM). As one participant stated, "Earlier, we could only dream of earning. Now, we earn, save, and support our families with dignity."

— *Rukhsana Begum, home-based entrepreneur, Meerut*

Such stories reaffirm that women's entrepreneurship in Northern India is not merely an economic activity but a profound form of social empowerment.

XII. Conclusion

Rural women entrepreneurs in India navigate complex socio-economic environments that challenge their entrepreneurial ambitions. From limited financial access and inadequate infrastructure to gender-based social norms and insufficient training opportunities, these women face multifaceted barriers. In rural regions, such challenges are magnified by limited mobility, educational constraints, and familial expectations.

Addressing these obstacles requires a multi-pronged approach: strengthening women-led business associations, facilitating access to finance, providing targeted skill development programs, and ensuring market linkages. Policymakers and stakeholders must collaborate to build an ecosystem that recognizes, nurtures, and scales women's enterprises. Empowering rural women entrepreneurs is not merely a matter of economic efficiency—it is a step toward creating a more just, inclusive, and prosperous society.

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