



Women Entrepreneurship: Empowering the Economy Through Inclusive Growth

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Abstract:

Women entrepreneurship is increasingly recognized as a key driver of economic growth, employment generation, and social inclusion. This paper examines the role of women-led enterprises in fostering an inclusive economy, identifies structural and socio-cultural challenges, and evaluates the impact of government schemes and digital adoption. The study uses secondary data from government reports, international agencies, and academic journals. Analytical tables and charts illustrate sectoral distribution, barriers, and contributions to growth. Findings reveal that women entrepreneurs significantly enhance household welfare, regional development, and national GDP, but face persistent challenges. Policy recommendations focus on financial inclusion, skill development, digital empowerment, and institutional support.

Keywords: *Women Entrepreneurship, Inclusive Economy, Financial Inclusion, Gender Equity, MSMEs, Socio-economic Development, Digital Empowerment.*

Introduction:

Women entrepreneurship combines economic objectives with social impact. Globally, countries with higher female entrepreneurial participation experience stronger economic resilience, innovation, and inclusive growth. In India, women-led enterprises contribute significantly to MSMEs, rural businesses, and digital startups. However, limited access to finance, socio-cultural restrictions, and digital illiteracy remain major challenges. This study investigates how women entrepreneurship can empower the economy through inclusive growth, adhering to research ethics and secondary data analysis.

This paper investigates how inclusive support for women entrepreneurs can empower economies by harnessing underutilized talent, promoting gender equality, and fostering sustainable growth. It also examines the mechanisms — such as financial inclusion, microfinance, digital finance, and targeted MSME support — that enable women entrepreneurship to flourish, and analyses their broader economic impact.

Literature Review:

1. **Economic Contribution:** Women-led businesses contribute to GDP, innovation, and employment (World Bank, 2022).

2. **Social Impact:** Profits are often reinvested into education, healthcare, and family welfare (UN Women, 2021).
3. **Challenges:** Barriers include limited credit, gender norms, market access, and lack of training (OECD, 2020).
4. **Policy Interventions:** Government schemes like Stand-Up India, MUDRA Yojana, and Udyam Sakhi Portal promote inclusion (NITI Aayog, 2023).
5. A body of research shows that women entrepreneurship can serve as a transformative force for sustainable development. For example, a literature review on “**Women Entrepreneurs Empowerment**” argues that entrepreneurship offers women opportunities to generate wealth, create jobs, contribute to communities, and challenge societal norms — thus enhancing autonomy and economic empowerment.
6. Studies on microfinance show similar patterns. Research into the impact of **microfinance on women’s** economic empowerment found that access to credit, combined with training and support, increases women’s ability to make financial decisions, own assets, and improve their livelihood.

Research gaps include quantifying the impact of women entrepreneurship on regional and national inclusive growth.

Research Objectives:

1. Examine the contribution of women entrepreneurship to economic growth and employment.
2. Identify structural, socio-cultural, and financial challenges.
3. Evaluate the impact of government policies and digital tools.
4. Recommend strategies for enhancing women entrepreneurship.

Hypotheses:

- **H1:** Women entrepreneurship positively contributes to economic development.
- **H2:** Financial and institutional barriers negatively affect women-led enterprises.
- **H3:** Government support and digital adoption positively influence growth.

Research Methodology:

- **Type:** Descriptive and analytical study based on secondary data.
- **Sources:** MSME Ministry Reports, NITI Aayog, UN Women, World Bank, academic journals.
- **Analysis:** Tables and charts representing sectoral participation, challenges, and economic contribution.
- **Ethics:** Proper citations, no data fabrication, use of reliable secondary sources.

Challenges and Structural Barriers:

Despite the potential, women entrepreneurship faces significant obstacles:

- **Limited Access to Capital and Finance:** Many women lack collateral or credit history; traditional financial institutions may be reluctant to lend. Even existing microfinance and supportive institutions sometimes fall short in benefits, especially for the poorest women.
- **Information, Education, and Skill Gaps:** Lower educational attainment, lack of business training, financial

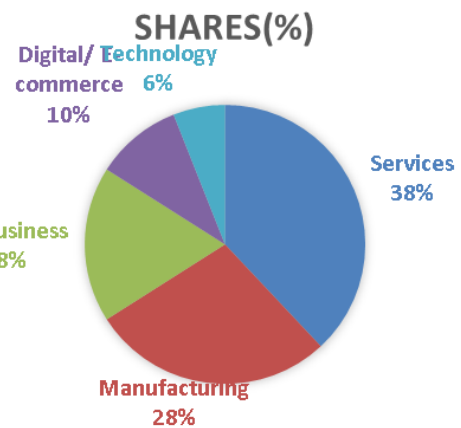
literacy, and limited access to networks hamper women's ability to start and sustain enterprises.

- **Socio-cultural Constraints and Gender Norms:** Women often bear greater household and caregiving responsibilities, face social stigma around running a business, or lack acceptance in male-dominated industries, which restricts opportunities.
- **Institutional & Policy Gaps:** Absence of gender-responsive policies, inadequate supportive infrastructure (e.g. childcare, flexible work arrangements), and lack of targeted interventions reduce effectiveness of broader entrepreneurship programs.
- **Sustainability and Scale Challenges:** Many women-led enterprises remain small scale, with limited resources for growth, expansion, or scaling up — reducing long-term impact on economy.

Data Analysis – Tables and Charts:

Table 1: Women Entrepreneurship by Sector in India

| Sector | Share (%) | Examples |
|--------------------|-----------|---------------------------------|
| Services | 38 | Beauty, retail, coaching |
| Manufacturing | 28 | Food processing, textiles |
| Agribusiness | 18 | Dairy, organic farming |
| Digital/E-commerce | 10 | Online retail, content creation |
| Technology | 6 | IT solutions, startups |

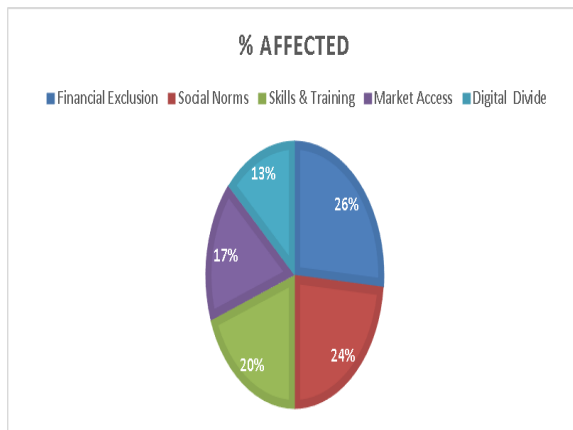


Interpretation:

The table shows that women entrepreneurs in India are predominantly active in the services sector (38%), followed by manufacturing (28%) and agribusiness (18%). Fewer women are involved in digital/e-commerce (10%) and technology (6%), indicating that while women are contributing significantly to traditional sectors, participation in high-tech and digital industries remains limited. This highlights the need for policies and training to support women in emerging and technology-driven sectors. Bridging this gap in technology and digital sectors can also help reduce gender disparities in high-income and high-impact industries. Strengthening policies, providing access to funding, and promoting skill development will enable more women to innovate, compete globally, and contribute to inclusive economic growth.

Table 2: Challenges Faced by Women Entrepreneurs

| Barrier | % Affected | Severity |
|---------------------|------------|-----------|
| Financial exclusion | 65 | Very High |
| Social norms | 58 | High |
| Skills & training | 48 | Moderate |
| Market access | 42 | Moderate |
| Digital divide | 33 | Moderate |



Interpretation:

The table shows that financial exclusion (65%) and social norms (58%) are the most significant barriers for women entrepreneurs, indicating major structural and cultural challenges. Skills & training (48%), market access (42%), and digital divide (33%) are moderately severe, suggesting that targeted support like training, networking, and digital literacy programs can help. Overall, addressing these barriers is crucial to empower women entrepreneurs and boost economic inclusion. Financial exclusion and social norms not only limit women's ability to start and grow businesses but also restrict their economic independence and societal participation. Meanwhile, improving skills, market access, and digital connectivity can enhance business sustainability and competitiveness, helping women entrepreneurs contribute more effectively to inclusive economic growth.

Table 3: Contribution to Inclusive Growth

| Dimension | Contribution | Outcome |
|-----------|--------------|--------------------------------------|
| Economic | High | Employment & GDP growth |
| Social | High | Education, health, community welfare |

| | | |
|----------|----------|---------------------------------------|
| Regional | Moderate | Rural & semi-urban development |
| Digital | Moderate | Growth of online women-led businesses |

Table 4: Government Support Schemes

| Scheme | Focus | Benefit |
|---------------------|-------------------|-------------------------------------|
| Stand-Up India | Credit | Loans for women entrepreneurs |
| MUDRA Yojana | Microfinance | Collateral-free loans |
| Udyam Sakhi Portal | Digital support | Mentoring & networking |
| NULM-SHG | Livelihood | Collective entrepreneurship support |
| Skill India Mission | Skill development | Training & digital literacy |

Table 5: Male vs Female Entrepreneurs – Comparative Analysis

| Parameter | Women | Men |
|-----------------------|-----------------|---------------|
| Finance Access | Low–Moderate | Moderate–High |
| Risk Tolerance | Moderate | High |
| Social Responsibility | High | Low |
| Digital Adoption | Moderate | High |
| Focus | Social + Profit | Profit Only |

Discussion:

- **Sectoral Analysis:** Services and Manufacturing dominate, while digital and technology sectors are growing.
- **Challenges:** Financial exclusion and social norms are the biggest barriers, confirming H2.
- **Impact:** Women entrepreneurship significantly improves economic and social outcomes, supporting H1.

- **Policy Influence:** Government support and digital adoption enhance scalability, confirming H3.

Conclusion:

Women entrepreneurship plays a crucial role in inclusive economic growth. Financial and social barriers persist, but digital tools and government policies significantly enhance participation and impact. Focusing on financial inclusion, skill development, and institutional support can accelerate women-led business growth.

Policy Implications & Recommendations:

To fully harness the potential of women entrepreneurship for inclusive economic growth, policymakers, financial institutions, and society need to undertake coordinated efforts. Key measures include:

1. Enhance Financial & Digital Inclusion

- 1) Expand access to microfinance, low-interest loans, grants, and credit facilities specifically tailored for women entrepreneurs.
- 2) Promote digital finance — mobile banking, e-commerce, online business tools — to reach women in remote or underserved areas, lowering capital and information barriers.

2. Skill Development & Education

- 1) Provide business training, financial literacy programs, mentoring, and support networks, especially targeting women from marginalized backgrounds.
- 2) Encourage entrepreneurship education in schools/universities, and vocational training for women,

especially in sectors beyond traditional norms.

3. Gender-Sensitive Policies & Institutional Support

- 1) Formulate and implement policies that address gender-specific constraints (e.g. flexible work, childcare support, social security, maternity benefits).
- 2) Ensure legal and regulatory frameworks for women-owned businesses are simplified and inclusive — to facilitate registration, access to capital, and scaling.

4. Promote Inclusivity and Representation

- 1) Encourage women's participation in leadership roles (in firms, boards, decision-making bodies) to reduce financial constraints and bias. Empirical evidence suggests female leadership can improve firm resilience and financial performance.
- 2) Support diversity of sectors — beyond traditional female-dominated industries — enabling women to enter technology, manufacturing, services, and other growth sectors.

5. Monitor, Evaluate and Support Scale-Up

- 1) Conduct further empirical studies to measure impact of women-led enterprises on economic growth, employment, and social welfare.
- 2) Provide incubation, mentorship, and growth support to help small-scale women-led businesses scale, ensuring long-term sustainability and broader economic contribution.

Recommendations:

1. Expand collateral-free loans and microfinance programs.
2. Develop digital literacy and entrepreneurship training.
3. Promote women-led products through trade fairs and e-commerce.
4. Establish university incubators and mentorship programs.
5. Provide social support including childcare and mobility assistance.

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