



## Redefining Growth: Women Entrepreneurs as Catalysts of India's Economic Transformation

**Dr. Seema Rajendra Dabhade (Chavan)**

*Asso. Prof. Department of Economics,*

*S. S. G. M. College, Kopargaon Dist.: Ahilyanagar*

*Corresponding Author – Dr. Seema Rajendra Dabhade (Chavan)*

**DOI - 10.5281/zenodo.17905938**

### **Abstract:**

*Women entrepreneurship in India has emerged as a critical driver of inclusive growth, contributing to economic development, social transformation, and gender empowerment. Despite historical restrictions to household roles, women are increasingly moving into self-employment, micro-enterprises, and formal entrepreneurial ventures. However, women constitute only 13.76% of total entrepreneurs in India, reflecting persistent structural and cultural barriers. This study examines the evolving role of women entrepreneurs, identifies key challenges such as limited access to finance, gender bias, inadequate mentorship, and work-life imbalances, and evaluates opportunities created by government initiatives including the National Skill Development Mission, Mudra Yojana, Stand-Up India, and the Women Entrepreneurship Platform. The research adopts a descriptive approach, relying on secondary data from journals, government reports, and policy documents. Findings reveal that women-led businesses especially in the MSME sector account for more than 20% of enterprises, employing nearly 27 million people, yet remain constrained by systemic inequalities. Evidence suggests that closing gender gaps in entrepreneurship could add up to USD 770 billion to India's GDP by 2025. The paper concludes that targeted policy support, financial inclusion, digital literacy, and cultural change are essential to unlocking women's full potential as catalysts of sustainable economic transformation.*

**Keywords:** Women Entrepreneurship, India, Barriers, Empowerment, Government Schemes, Economic Development, Gender Equality, Financial Inclusion, MSME Sector

### **Introduction:**

“When women move forward, the family moves, the village moves, and the nation moves.” These words of Jawaharlal Nehru encapsulate the transformative role of women in nation-building. Entrepreneurship, defined as the capacity to identify, develop, and manage ventures for profit and growth, has been widely recognized as a driver of economic development. When led by women, entrepreneurship serves the dual purpose of empowering women while

contributing to broader socio-economic progress.

In India, women's role in entrepreneurship has evolved from traditional household-based activities to leadership in small and medium enterprises, digital ventures, and social businesses. However, despite improvements in education, technology access, and supportive policies, women entrepreneurs remain underrepresented. Government statistics estimate that only around 14% of Indian

entrepreneurs are women, revealing a significant untapped potential.

This paper explores the importance of women entrepreneurs in India, analyzes the challenges that hinder their growth, evaluates opportunities available through policy initiatives, and provides suggestions to strengthen women's role in the entrepreneurial ecosystem.

### **Literature Review:**

The academic discourse around women entrepreneurship emphasizes its economic and social impact. Sharma, Dua, and Hatwal (2012) underline the role of women micro-enterprises in poverty reduction and rural empowerment. Raghuvanshi et al. (2017) identify structural barriers such as lack of access to credit, cultural norms, and gender stereotypes as significant constraints. Singh and Raghuvanshi (2012) note that self-help groups have been pivotal in enabling rural women entrepreneurs.

International studies (Parvin et al., 2012; García & Capitán, 2016) highlight the need for financial inclusion, skill development, and supportive ecosystems to enhance female entrepreneurship. More recent policy-driven perspectives, such as NITI Aayog's Women Entrepreneurship Platform and the RBI Innovation Hub's white paper, stress the importance of bridging data gaps, improving safety, and providing local role models in Tier II and Tier III cities.

Thus, literature converges on the idea that women entrepreneurs are vital for economic growth, but systemic barriers continue to restrict their full potential.

### **Objectives of the Study:**

1. To study the importance of women entrepreneurship in India's socio-economic development.
2. To identify the challenges faced by women entrepreneurs.
3. To examine government initiatives that support women entrepreneurs.
4. To suggest strategies for overcoming barriers and leveraging opportunities.

### **Methodology:**

This research adopts a **descriptive design** based on **secondary data sources**. Information has been collected from academic journals, government reports, policy briefs, newspapers, and case studies focusing on women's entrepreneurship in India. The study synthesizes findings from existing literature and aligns them with recent policy initiatives to present a comprehensive analysis.

### **Importance of Women Entrepreneurship: Economic Empowerment:**

Women entrepreneurs generate employment for themselves and others, contribute to GDP growth, and foster innovation. By 2030, expanding women-owned businesses could potentially add \$1 trillion to India's economy (World Bank & NITI Aayog).

### **Social Transformation:**

Entrepreneurship enhances women's dignity, independence, and decision-making power. Women leaders act as role models, breaking stereotypes and motivating other women to enter non-traditional fields.

### **Gender Equality and Inclusion:**

Female entrepreneurs promote gender equality by challenging barriers in business and advocating for inclusive

policies. Their success encourages equitable participation in workforce and leadership roles.

#### **Innovation and Resilience:**

Women often focus on community-driven businesses such as education, healthcare, and sustainability, offering diverse perspectives and innovative problem-solving approaches.

#### **Women Entrepreneurship and Its Role in the Indian Economy:**

The category of self-employment in India is broad and includes both individuals running their own activities and those engaged in unpaid family work. When we examine this more closely, a significant shift is visible among women. Since the introduction of the Periodic Labour Force Survey (PLFS) in 2017–18, a rising proportion of women have moved towards self-employment as independent workers or employers. At the same time, the share of women engaged in unpaid family labour has declined. This structural change is far more prominent for women than for men, pointing to a unique transformation in women's economic roles.

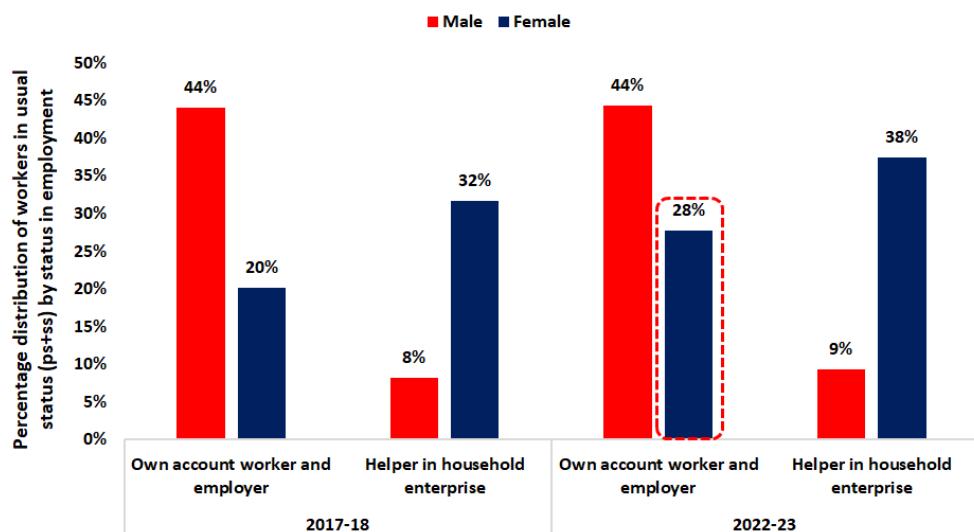
Women entrepreneurs have become an important part of India's growth story, especially in the Micro, Small and Medium Enterprises (MSME) sector. Data from the Indian Brand Equity Foundation (IBEF) shows that 20.37% of MSMEs are run by women, contributing 23.3% of the labour force. Across the country, an estimated 13.5 to 15.7 million women-owned enterprises collectively provide jobs for 22 to 27 million people. These figures underline the crucial role of women-led businesses in strengthening India's economic base.

The growth potential is also considerable. Studies suggest that by increasing women's participation in the workforce, the Indian economy could add USD 770 billion to GDP by 2025, which would amount to an 18% boost. Alongside this, the growing startup ecosystem and adoption of inclusive workplace practices are expected to drive a 90% rise in women-led enterprises in the next five years.

Recent government data further reinforces this trend. The female labour force participation rate (FLFPR) has steadily increased—rising from 21.7% in Q2 FY23, to 23.2% in Q1 FY24, and reaching 24% in Q2 FY24. Though the overall share remains modest compared to global benchmarks, this steady rise reflects growing recognition of women's contributions beyond unpaid household work.

For a society where women have traditionally been expected to focus primarily on domestic responsibilities, the current presence of 15.7 million women-run businesses is transformative. Women entrepreneurs are not only supporting livelihoods but are also emerging as a driving force for the MSME sector and the wider Indian economy.

Exhibit 4: Within the 'self-employed' category, women's share in being an employer has risen sharply



Source: Marcellus Investment Managers, Periodic Labour Force Survey (Annual Report 2022-23 and 2017-18); period under consideration is July 2017-June 2018 & July 2022-June 2023 respectively; data taken for rural+urban

### Challenges Faced by Women Entrepreneurs:

Despite their contributions, women entrepreneurs face significant obstacles:

- Access to Capital** – Funding bias, lack of collateral, and limited investor networks restrict women's access to finance.
- Cultural Barriers** – Traditional gender roles, family responsibilities, and societal stigma limit entrepreneurial opportunities.
- Mentorship Gap** – Few role models and limited mentorship restrict knowledge transfer and confidence-building.
- Work-Life Balance** – Dual responsibilities of business and household create stress and burnout.
- Skill Gaps** – Lack of digital literacy, business training, and access to modern technologies hampers competitiveness.
- Bias and Discrimination** – Women are often perceived as less competent in

negotiations, partnerships, and leadership roles.

- Legal and Regulatory Barriers** – Complicated compliance systems and inequitable property rights hinder business establishment.
- Networking Challenges** – Exclusion from informal business networks reduces visibility and market access.
- Safety Concerns** – Mobility restrictions and unsafe work environments reduce opportunities, especially in smaller cities.
- Psychological Barriers** – Risk aversion and self-doubt (impostor syndrome) reduce entrepreneurial ambition.

### Government Initiatives and Opportunities:

The Government of India has launched multiple schemes to promote women's entrepreneurship:

- **National Skill Development Mission (NSDM):** Provides training in diverse sectors and promotes digital literacy.
- **Mudra Yojana for Women:** Offers collateral-free loans up to ₹10 lakhs with flexible repayment options.
- **Stand-Up India Scheme:** Supports women from SC/ST categories with credit for setting up enterprises.
- **Women Entrepreneurship Platform (WEP):** A NITI Aayog initiative that aggregates resources, mentorship, and networking opportunities.
- **Trade-Related Entrepreneurship Assistance and Development (TREAD):** Provides financial support through NGOs for non-farm activities.
- **STEP (Support to Training and Employment Programme for Women):** Offers skills to promote self-employment and entrepreneurship.

These policies, when implemented effectively, can enhance financial access, skill development, and market linkages for women entrepreneurs.

#### **Suggestions for Strengthening Women Entrepreneurship:**

1. **Financial Inclusion:** Expand microfinance, create women-focused venture capital funds, and promote financial literacy.
2. **Skill Development:** Provide digital literacy, e-commerce training, and leadership development tailored for women.
3. **Mentorship and Networking:** Establish women-centric forums, mentorship programs, and highlight successful role models.

4. **Policy Support:** Introduce tax incentives, simplify compliance, and strengthen maternity and childcare support for women entrepreneurs.
5. **Cultural Change:** Promote awareness campaigns to challenge stereotypes and encourage family support for women-led ventures.
6. **Technology Access:** Provide affordable access to digital tools, co-working spaces, and platforms to expand businesses.
7. **Safety and Infrastructure:** Improve workplace safety, public transport, and infrastructure in Tier II/III cities to enable wider participation.

#### **Findings:**

- Women entrepreneurs contribute significantly to economic and social development but remain underrepresented.
- The primary barriers are structural—finance, skills, and cultural norms—rather than individual ambition.
- Government initiatives provide a framework of opportunities, but implementation gaps and awareness issues persist.
- A supportive ecosystem involving government, private sector, and civil society is necessary to realize the potential of women entrepreneurs.

#### **Conclusion:**

Women entrepreneurship in India stands at a crossroads. On one hand, there is unprecedented opportunity driven by demographic advantage, digital innovation, and policy support. On the other, structural barriers rooted in finance, culture, and

institutional bias continue to restrict women's full participation.

For India to achieve inclusive and sustainable growth, it is imperative to empower women entrepreneurs through financial inclusion, skill development, mentorship, and cultural transformation. By converting women's potential into productive enterprises, India can not only bridge gender gaps but also unlock new pathways for economic and social progress.

### References:

1. Sharma, A., S. Dua, and V. Hatwal. "Micro Enterprise Development and Rural Women Entrepreneurship: Way for Economic Empowerment." *Arth Prabhand: A Journal of Economics and Management*, vol. 1, no. 6, 2012, pp. 114–127.
2. Singh, R., and N. Raghuvanshi. "Women Entrepreneurship Issues, Challenges and Empowerment through Self-Help Groups: An Overview of Himachal Pradesh." *International Journal of Management Research and Reviews*, vol. 2, no. 1, 2012, p. 77.
3. Bahl, J. "Status of Women Entrepreneurship in Rural India." *Asian Journal of Multidimensional Research*, vol. 1, no. 2, 2012, pp. 89–100.
4. Raghuvanshi, J., R. Agrawal, and P. K. Ghosh. "Analysis of Barriers to Women Entrepreneurship: The DEMATEL Approach." *The Journal of Entrepreneurship*, vol. 26, no. 2, 2017, pp. 220–238.
5. García, P. O., and Á. O. Capitán. "Elements That Contribute to Boost Female Entrepreneurship: A Prospective Analysis." *Suma de Negocios*, vol. 7, no. 15, 2016, pp. 54–60.
6. NITI Aayog. *Women Entrepreneurship Platform (WEP)*. Government of India, 2023.
7. RBI Innovation Hub. *At the Helm: Women Entrepreneurs Transforming Middle India*. Reserve Bank of India, 2024.
8. "The Rapid Rise of Female Entrepreneurs in India." *Marcellus*, 2023, <https://marcellus.in/blogs/the-rapid-rise-of-female-entrepreneurs-in-india/>.