

Impact of Rural Women Entrepreneurship in Rural Economy,

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Abstract

Introduction Indian women have freed themselves from the control of a male-dominated society where they do daily household chores like cooking, washing, carrying, and raising their children within the four walls of their homes. Women are following in their footsteps in the corporate world, not only as job seekers but also as job providers. Eventually, women turned to agricultural activities and became entrepreneurs. Indian women have taken a step forward in becoming entrepreneurs as only years ago they had a business career that gave them financial empowerment and development to express their abilities. This change allowed her to escape everyday life and enter a world where she could change the corporate world by giving herself a nickname. Entrepreneurship is not a male privilege. It is proven that women's entrepreneurship has gained momentum in the last three decades with the increase in the number of women-owned businesses and their significant participation in the country's economic growth. Foreign direct investment policies, technological advances, and industrial exports in the Asia-Pacific region have opened up a wide range of economic and social opportunities for women entrepreneurs. Women start a business under the influence of economic factors that push them to act alone and help them do something independently. Women prefer to work at their own workplace; the difficulties in finding suitable employment and the desire for social recognition motivate them to become self-employed. Many women studying engineering, medicine, law, etc. Hospitals, training centers, etc. are also being created. Methodology The present study is based exclusively on secondary data. The data were collected from various books, journals, government reports, websites, etc. Objectives of the Study π To be aware of the schemes for empowering women entrepreneurs in India. π To explore the problems of women entrepreneurs in rural India. Impact of Women in Indian Economy According to a report by the Indian Brand Equity Foundation (IBEF), in India's small and medium enterprise sector, women-owned businesses account for about 20.37% and employ around 23.3% of the workforce. There are 13.5 to 15 of them 7 million women-owned businesses employing between 22 and 27 million people. They are considered the backbone of the Indian economy. It is estimated that the economy could contribute \$770 billion, or 18% more, to global GDP by 2025 thanks to greater participation of women in the workforce. With the increasing number of startups and the adoption of an inclusive work culture, women-led companies are expected to grow by 90% in the next five years. The present study is based on exclusively secondary data. The data were collected from various books, journals, government reports, and website, etc.

Keywords: women entrepreneurship, economic growth , schemes

Introduction

Indian women have increasingly liberated themselves from the constraints of a male-dominated culture, where their roles were traditionally limited to domestic responsibilities such as cooking, cleaning, and raising children within the confines of their homes. Today, many are making their mark in the corporate sector—not only by seeking employment but also by creating jobs for others. Over time, women have ventured into agriculture and entrepreneurship. Their entry into business has not only given them financial independence but has also allowed them to showcase their talents and aspirations. This shift has enabled women to break away from monotonous domestic life and redefine their roles in the corporate sphere.

Entrepreneurship is no longer seen as an exclusively male domain. Over the past thirty years, there has been significant growth in women-led businesses, with women playing an increasingly vital role in the nation's economic progress. Policies promoting foreign direct investment, advancements in technology, and increased exports from the Asia-Pacific region have broadened the scope for women entrepreneurs. Economic challenges have prompted many women to establish their own ventures, giving them both autonomy and a sense of achievement. A preference for independent workspaces, limited employment opportunities, and the desire for social acceptance further drive women toward self-employment. Many are starting ventures in fields such as engineering, medicine, and law, along with establishing institutions like hospitals and training centers.

Methodology

This study relies entirely on secondary sources, gathering data from books, academic journals, official reports, websites, and other published materials.

Objectives of study

- To aware about the empowering women entrepreneur schemes in India
- To explore the problem of women entrepreneurs in rural economy

Role of Women in India's Economy

As per the Indian Brand Equity Foundation (IBEF), women own approximately 20.37% of businesses in India's small and medium enterprise (SME) sector, providing jobs to about 23.3% of the workforce. There are around 13.5 to 15.7 million such businesses, employing between 22 and 27 million individuals. These ventures are considered the foundation of India's economy. By 2025, greater female participation in the workforce could potentially increase global GDP by \$770 billion, representing an 18% gain. The rise of startups and inclusive workplaces is expected to boost the number of women-led enterprises by 90% within the next five years. Once confined to household duties, women are now key players in business, running millions of enterprises and contributing significantly to the SME landscape.

Schemes Supporting Women Entrepreneurs in India

To assist women in launching businesses and accessing capital, several financial schemes have been introduced:

1. **Stree Shakti Package** – Offered by SBI, this scheme includes benefits like no collateral for loans up to ₹5 lakh and a 0.5% interest rate reduction on loans above ₹2 lakh for businesses with at least 50% female ownership.
2. **Mahila Udyam Nidhi Scheme** – Launched by Punjab National Bank, this scheme provides up to ₹10 lakh in support for setting up small enterprises, repayable over 10 years at market-determined interest rates.
3. **Udyogini Scheme** – Initiated by the Karnataka government and offered by Punjab and Sind Bank, this scheme targets women aged 18–45 with family incomes under ₹40,000 annually, offering loans up to ₹1 lakh to promote self-employment in trade and service sectors.
4. **Dena Shakti Scheme** – From Dena Bank, this program supports women working in sectors like agriculture, manufacturing, retail, and small businesses, with funding aligned to RBI's priority sector lending limits.

5. **Mudra Yojana for Women** – A central government initiative offering collateral-free loans under three categories:
 - *Shishu*: Up to ₹50,000 for early-stage ventures
 - *Kishor*: ₹50,000–₹5 lakh for developing businesses
 - *Tarun*: Up to ₹10 lakh for expansion
6. **Bharatiya Mahila Bank Business Loan** – This women-focused bank provides loans up to ₹20 crore for manufacturing businesses, with interest concessions of up to 0.25%.
7. **Orient Mahila Vikas Yojana** – Aimed at women owning at least 51% of a company's capital, this scheme by Oriental Bank offers loans without collateral (₹10–25 lakh), repayable in 7 years, with interest concessions up to 2%.
8. **Annapurna Scheme** – Provided by the State Bank of Mysore, this program grants up to ₹50,000 for women starting food-related businesses, to be used for purchasing kitchen and catering equipment.
9. **Cent Kalyani Scheme** – From Central Bank of India, this program supports new or expanding women-led MSMEs. It offers up to ₹100 lakh without requiring collateral or guarantors and includes no processing fees.

Challenges Faced by Rural Women Entrepreneurs

Rural women pursuing entrepreneurship face numerous hurdles, including:

- **Limited Education:** Low literacy and inadequate education hinder women from accessing technology, understanding market trends, or taking advantage of government schemes.
- **Balancing Home and Work:** Cultural expectations often assign women the primary responsibility for domestic tasks, making it difficult to manage both family and business.
- **Male Dominance:** Despite legal equality, societal attitudes in rural areas often view entrepreneurship as a male preserve, limiting women's opportunities.
- **Financial Constraints:** Many women lack access to credit due to insufficient collateral and low credit scores, making it hard to fund their ventures.
- **Risk Aversion:** Social upbringing and limited exposure to business environments result in a lower risk appetite among women.
- **Lack of Business Skills:** Many women lack essential entrepreneurial skills even after undergoing training.
- **Weak Managerial Abilities:** Due to limited experience, women often struggle with core management functions like planning, staffing, and decision-making.
- **Low Technological Awareness:** The lack of digital literacy and training in technology creates barriers to business innovation and growth.
- **Raw Material Issues:** Women often struggle to source quality raw materials, affecting production and profitability.
- **Socio-Cultural Barriers:** Traditional values, caste systems, and religious norms can discourage women from stepping into business roles.
- **Social Attitudes:** Negative perceptions and a lack of societal support continue to impede the progress of women entrepreneurs.
- **Lack of Motivation:** Emotional and psychological challenges, along with the pressures of balancing family life, can reduce entrepreneurial motivation.
- **Legal Complexity:** Illiteracy and unawareness about regulations make legal compliance a significant challenge for rural women.

Women Entrepreneurs and India's Economic Growth

India remains a land full of potential for aspiring entrepreneurs. Despite several government initiatives, the rate of new business registrations has not kept pace with the country's vast population and economic capacity. While efforts have been made to support entrepreneurship, there's still a considerable gap to be addressed to match global benchmarks in entrepreneurial success.

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