Anusandhanvallari
Vol 2025, No.1
June 2025
ISSN 2229-3388

Women Entrepreneurship and Inclusive Growth

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Abstract Women entrepreneurship has emerged as a powerful driver of inclusive growth, contributing significantly to economic development, poverty reduction, and social transformation. In recent years, increased policy support, financial inclusion initiatives, and digital advancements have enabled more women to participate in entrepreneurial activities. Women entrepreneurs not only generate employment opportunities but also promote balanced regional development and improve household welfare. Despite these contributions, challenges such as limited access to finance, lack of training, socio-cultural barriers, and market constraints continue to hinder their growth potential. This study explores the role of women entrepreneurship in fostering inclusive growth by analyzing its economic and social impacts. It highlights the need for supportive ecosystems, capacity-building programs, and gender-sensitive policies to empower women entrepreneurs. Strengthening women-led enterprises can lead to sustainable development by ensuring equitable participation in economic progress.

Keywords Women Entrepreneurship, Inclusive Growth, Economic Development, Financial Inclusion, MSMEs, Gender Equality, Empowerment, Sustainable Development

Introduction

In today's rapidly changing world, women entrepreneurship has become an important force in shaping economic and social development. More women are stepping into business, not only to earn a livelihood but also to create opportunities for others. At the same time, the idea of inclusive growth has gained importance, focusing on ensuring that economic progress benefits everyone in society. Women entrepreneurs play a key role in this process by bringing more people—especially those from underrepresented groups—into the economic system.

Understanding Women Entrepreneurship

Women entrepreneurship refers to businesses that are started, managed, and developed by women. These women take initiative, organize resources, and are willing to take risks to build their enterprises. Many of these businesses operate in the micro, small, and medium sectors, which are vital for grassroots development. Beyond profits, these enterprises often reflect creativity, resilience, and a strong desire for independence.

Women entrepreneurship refers to businesses started and managed by women who take initiative, organize resources, and take risks. In India, this movement has grown significantly in recent years.

- India has **over 8 million women-led enterprises**
- Around **26.2% of businesses are now women-owned**, showing a steady rise over the last decade

How Women Entrepreneurship Supports Inclusive Growth

Women entrepreneurs contribute to inclusive growth in meaningful and practical ways. They generate employment, often providing jobs to other women and people from less privileged backgrounds. This helps in reducing unemployment and improving economic participation.

Their businesses also contribute to poverty reduction by increasing household income and improving living standards. In many cases, women entrepreneurs operate in rural and semi-urban areas, helping to bridge the gap between urban and rural development.

Moreover, when women become economically independent, their confidence and decision-making power increase, leading to greater social empowerment. Their involvement in financial activities also promotes financial inclusion, as more women gain access to banking, credit, and savings systems.

Women entrepreneurs play a crucial role in building an inclusive economy:

- Women-owned businesses provide employment to **22–27 million people**
- They contribute around **23.3% of the labour force in the MSME sector**
- The MSME sector itself contributes **over 30% to India's GDP and nearly 45% of exports**

  These numbers show that women entrepreneurs are not just participants but key drivers of economic growth. Their businesses often operate in rural and semi-urban areas, helping reduce regional disparities and promote balanced development.

One of the most encouraging developments is the rise in financial inclusion among women:

- Women in India now hold **₹76 lakh crores in credit, accounting for 26% of total credit**
- There are **16 crore active women borrowers**, showing deep financial penetration
- Women-owned MSMEs account for around **20–26% of enterprises**

  This indicates that more women are gaining access to formal financial systems, which is essential for business growth and sustainability.

Challenges Faced by Women Entrepreneurs

Despite their growing contributions, women entrepreneurs continue to face several challenges. Access to finance remains one of the biggest hurdles, as many women find it difficult to secure loans or financial support.

There is also a gap in training and skill development, especially in areas like business management and technology. Social and cultural expectations can sometimes limit women's ability to fully focus on their entrepreneurial goals, as they often balance family responsibilities alongside business activities.

In addition, limited market access and lack of networks make it harder for women to expand their businesses. Technological and Institutions

Recognizing the importance of women entrepreneurs, governments and institutions have introduced various initiatives to support them. These include financial assistance schemes, skill development programs, and digital empowerment initiatives.

Self-help groups and microfinance institutions have also played a significant role in encouraging women to start and sustain businesses. These efforts aim to create an environment where women feel supported and confident in their entrepreneurial journey.

The landscape of women entrepreneurship in India is evolving rapidly:

- **Female self-employment increased from 51.9% to 67.4%** in recent years
- About **80% of women entrepreneurs reported business improvement**, and many plan expansion
- Around **58% of women-led MSMEs are planning to take business loans for growth**

These trends show that women entrepreneurs are becoming more confident, growth-oriented, and future-focused.

Government Support and Initiatives

Government initiatives have played a major role in promoting women entrepreneurship:

- Schemes like **MUDRA loans have crossed ₹40 lakh crores**, supporting millions of small entrepreneurs
- Programs promoting self-help groups and microfinance have enabled women to start small businesses
- Start-up ecosystem support has ensured that **many start-ups now include women leadership**

These efforts are helping create a supportive environment for women entrepreneurs.

Role of MSMEs in Promoting Women Entrepreneurship

The MSME sector provides a strong foundation for women entrepreneurs. With relatively low investment requirements and flexible working conditions, MSMEs make it easier for women to start their own ventures.

Women-led MSMEs contribute not only to employment generation but also to overall economic growth. They help in building a more inclusive economy by creating opportunities at the local level and supporting community development.

The MSME sector is the backbone of women entrepreneurship in India:

- India has over **7.16 crore MSMEs employing more than 31 crore people**
- Women-owned MSMEs are increasing steadily and contributing significantly to employment

MSMEs offer flexibility, low investment entry, and local opportunities, making them ideal

for women entrepreneurs

Table 1: Growth of Women Entrepreneurship in India

Indicator	**Value**	**Interpretation**
Total Women-led Enterprises	8+ million	Strong participation of women in business
Women-owned Businesses (%)	26.2%	Growing gender inclusion
Employment Generated	22–27 million	Significant job creation
Women MSME Participation	20–26%	Increasing role in MSME sector

Table 2: Contribution of MSMEs to Indian Economy

Indicator	**Contribution**
GDP Contribution	30%
Export Contribution	45%
Total MSMEs	7.16 crore

Anusandhanvallari
Vol 2025, No.1
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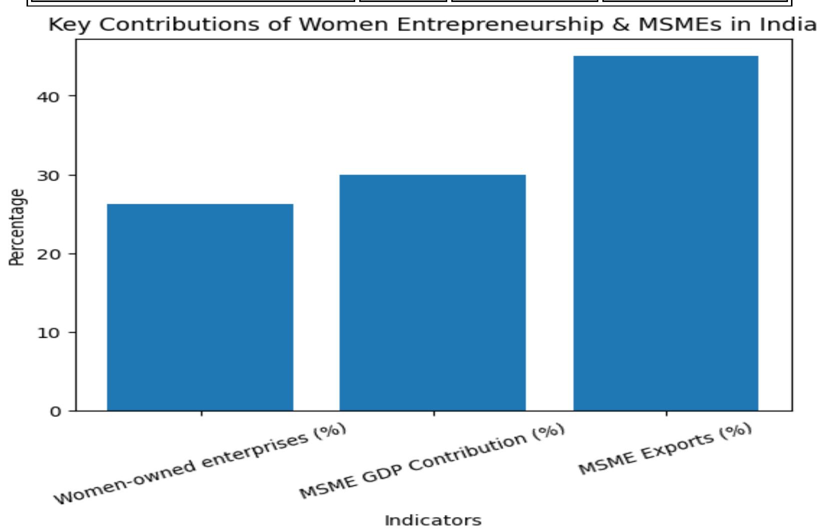
Indicator	Contribution
Employment Generated	31 crore

Table 3: Financial Inclusion of Women Entrepreneurs

Indicator	Value	Insight
Total Credit to Women	₹76 lakh crore	Strong financial participation
Share in Total Credit	26%	Expanding access to finance
Active Women Borrowers	16 crore	Deep financial inclusion
Women Access to Formal Credit	~52%	Scope for improvement

Table 4: Growth Trends in Women Entrepreneurship

Indicator	Earlier	Recent	Trend
Female Self-Employment	51.9%	67.4%	Increasing
Business Growth Expectation	—	80% positive	Strong optimism
Loan Demand for Expansion	—	58%	Growth-oriented



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Strategies to Strengthen Women Entrepreneurship

To further promote women entrepreneurship, certain steps are essential. Improving access to finance is crucial, along with providing proper training and education in entrepreneurship.

Encouraging digital literacy can help women take advantage of new market opportunities. Supportive government policies and a positive business environment can make a big difference. Additionally, mentoring and networking opportunities can guide women entrepreneurs and help them grow their businesses more effectively.

To further promote inclusive growth through women entrepreneurship, the following steps are important:

- Improve access to affordable credit
- Provide skill development and digital training
- Increase awareness about government schemes
- Strengthen market linkages and networking opportunities
- Encourage mentorship and support systems

Conclusion

Women entrepreneurship is more than just a pathway to economic growth—it is a step towards building a fair and inclusive society. When women succeed in business, they uplift not only themselves but also their families and communities.

By addressing the challenges, they face and strengthening support systems, we can ensure that more women participate in economic activities. Empowering women entrepreneurs is not only the right thing to do but also a smart strategy for achieving sustainable and inclusive development.

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