



Trends in Women Entrepreneurship in Rural India: An Overview

^{*1}Dr. G Venkatalakshumma

^{*1}Teaching Assistant, Department of Adult, Continuing Education & Extension, Sri Krishnadevaraya University, Andhra Pradesh, India.

Abstract

Rural women entrepreneurship in India is undergoing a paradigm shift from need-based, informal activities to opportunity-driven, self-supporting, sustainable enterprises. Supported by policy reforms, microfinance, and digital penetration, rural women are emerging as key agents of rural economic transformation. This article provides an analytical overview of evolving trends, drivers, challenges and institutional support for rural women entrepreneurship in India.

Keywords: Rural Women Entrepreneurship, SHGs, MSME, Rural Development, Financial Inclusion, Digital Empowerment.

Introduction

Entrepreneurship is globally recognized as a driver of economic growth, innovation and employment generation. In the Indian context, where nearly 65% of the population lives in rural areas, rural entrepreneurship holds special significance. Historically, women's economic participation in rural India was confined to unpaid family labour in agriculture and traditional crafts. However, the last two decades have witnessed a remarkable shift. Women entrepreneurship can be defined as an enterprise owned and controlled by a woman having a minimum financial interest of 51% of the capital and giving at least 51% of employment generated to women. In rural India, this definition extends beyond ownership to include collective models like Self-Help Groups (SHGs), producer groups and cooperatives. According to the Sixth Economic Census (2013-14) released by the Ministry of Statistics and Programme Implementation, women constitute only 13.76% of total entrepreneurs in India, i.e., 8.05 million out of 58.5 million entrepreneurs. However, the share is growing rapidly in rural areas due to state-led livelihood missions and microfinance movements.

Objectives of the Study

- To trace the changing trends and patterns of women entrepreneurship in rural India.
- To examine the socio-economic drivers and motivating factors.
- To analyze the institutional and policy support systems.
- To identify the major constraints and suggest measures for sustainable growth.

Evolving Trends in Rural Women Entrepreneurship From Traditional to Non-Traditional Sectors: Earlier, rural

women enterprises were limited to tailoring, papad making, pickle making, and basket weaving. Now there is a clear diversification towards high-value sectors such as organic farming, food processing, dairy and poultry farming, vermicomposting, nursery management, eco-tourism, and rural handicrafts with GI tags.

Collective Entrepreneurship Model: The most dominant trend in rural India is collective entrepreneurship. As per DAY-NRLM data (2023-24), over 9.5 crore women have been mobilized into 88 lakh SHGs. These SHGs have evolved from thrift and credit groups to enterprise-promoting institutions, running community-managed enterprises like Didi Ki Rasoi, Perna Canteens, and Millet Cafes.

Rise of Agri-preneurship and Allied Activities: With agricultural distress, many rural women are becoming agripreneurs. Trends include Custom Hiring Centres managed by women, seed banks, bio-input shops, and Farmer Producer Organizations (FPOs) where women members constitute 30-40%. National Rural Livelihoods Mission promotes Krishi Sakhis and Pashu Sakhis as community entrepreneurs.

Digital and E-Commerce Penetration: Digital India has brought a new trend. Rural women entrepreneurs are now using platforms like Government e-Marketplace (GeM), Flipkart Samarth, Amazon Saheli, and Meesho to sell their products directly. The Mahila E-Haat portal by Ministry of Women and Child Development is a dedicated platform for women entrepreneurs.

Social Entrepreneurship: A new generation of rural women is engaging in social enterprises addressing local problems - manufacturing low-cost sanitary napkins, solar lamps assembly, clean drinking water management, and waste management. This reflects the syllabus concept of Social Entrepreneurship and Startups.

Drivers of Women Entrepreneurship in Rural India

- a) **Economic Necessity:** Agrarian distress and male migration compel women to seek alternative income sources.
- b) **Government Schemes and Financial Inclusion:** Schemes like Pradhan Mantri MUDRA Yojana (PMMY), where 69% of beneficiaries are women, Stand-Up India, and SHG-Bank Linkage Programme have improved credit access.
- c) **Education and Skill Development:** Improved female literacy and skill programmes under Skill India and Rural Self Employment Training Institutes (RSETIs) have enhanced capabilities.
- d) **Family and Community Support:** Support from family, especially in nuclear families, and motivation from successful SHG members play a crucial role) Desire for Autonomy: Aspiration for economic independence, self-identity and decision-making power.

Government Initiatives and Institutional Support

- i). **DAY-NRLM:** The flagship programme for livelihood promotion. It provides Revolving Fund, Community Investment Fund and facilitates bank linkage. Start-up Village Entrepreneurship Programme (SVEP) under it supports non-farm enterprises.
- ii). **MUDRA & Stand-Up India:** Provide collateral-free loans to women. Under Stand-Up India, loans from Rs. 10 lakh to Rs. 1 crore are given to at least one woman entrepreneur per bank branch.
- iii). **Lakshpati Didi Initiative:** A recent policy goal announced by Government of India aiming to make 3 crore rural SHG women Lakshpati Didis (annual income > Rs. 1 lakh) through diversified livelihood activities.
- iv). **Mahila Kisan Sashaktikaran Pariyojana (MKSP):** Focuses on empowering women in agriculture.
- v). **RSETIs:** Provide free skill and entrepreneurship development training to rural youth, with high women participation.

Major Challenges

Despite positive trends, several structural challenges persist:

- i). **Limited Access to Formal Credit:** Though SHG linkage improved, individual enterprise loans still face collateral issues.
- ii). **Patriarchal Social Structure:** Restricted mobility, double burden of domestic work and enterprise management, and lack of decision-making power.
- iii). **Marketing and Infrastructure Bottlenecks:** Lack of storage, transport, branding and market information in remote villages.
- iv). **Low Technological and Digital Literacy:** Limited awareness about quality control, certification and digital marketing.
- v). **Lack of Risk-Taking Ability:** Due to low exposure and fear of failure, many women prefer low-return, low-risk activities.

Conclusion

The trends in rural women entrepreneurship in India clearly indicate a transition from survivalist to strategic entrepreneurship. It is no longer a peripheral activity but a central component of rural development, poverty alleviation and women empowerment. The collective model, supported by state programmes and digital technology, has provided a scalable model. However, to make this transition sustainable,

there is a need to move from credit-centric to market-centric and capacity-centric approaches. Empowering a rural woman entrepreneur not only empowers a family but also catalyzes the development of the entire rural economy, aligning with the vision of Atmanirbhar Bharat and Sustainable Development Goal 5 on Gender Equality.

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