

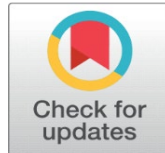
# WOMEN ENTREPRENEURSHIP IN INDIA: EVALUATING THE GROUND IMPACT OF GOVERNMENT SCHEMES

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## ABSTRACT

Women's entrepreneurship plays a critical role in achieving inclusive economic growth and gender equity in India. Over the past decade, the Government of India has launched multiple schemes—such as the MUDRA Yojana, Stand-Up India, and PMEGP—to support women-led enterprises through financial inclusion, capacity building, and market linkages. However, the real impact of these schemes remains uneven across regions and socio-economic strata. This study adopts a case study approach to evaluate the effectiveness of these schemes in two Indian states—Rajasthan and Tamil Nadu. Drawing on secondary data, policy reports, and impact studies, the paper identifies the barriers faced by women entrepreneurs and assesses scheme implementation outcomes. The findings reveal significant gaps between policy design and ground-level execution, especially in rural regions. Recommendations are offered to improve scheme targeting, simplify bureaucratic processes, and promote holistic support systems for women entrepreneurs.

**Keywords:** Gender Equity, Governmental Schemes, Viksit Bharat @2047, Women Entrepreneurship

## 1. INTRODUCTION

In recent years, entrepreneurship has been increasingly recognized as a tool for women's empowerment, financial independence, and social mobility. For India to realize its *Viksit Bharat @2047* vision, enhancing women's economic participation is essential. Women-led businesses contribute not only to GDP growth but also to job creation and innovation, particularly in underserved regions.

Several policy initiatives have been introduced to promote women's entrepreneurship in India:

- **MUDRA Yojana** (2015): Offers microfinance for non-corporate, non-farm small enterprises.
- **Stand-Up India** (2016): Provides bank loans to women and SC/ST entrepreneurs.
- **PMEGP**: Aims to generate self-employment opportunities through micro-enterprise promotion.

- **Mahila E-Haat and TREAD Scheme:** Focus on market linkages and credit support, respectively.

## 1.1. RESEARCH GAP

Despite these initiatives, India ranks 57th out of 65 countries on the Mastercard Index of Women Entrepreneurs (2022). Issues such as lack of collateral, bureaucratic delays, limited digital access, and socio-cultural constraints continue to limit women's entrepreneurial potential. There is a paucity of focused research evaluating the **real-world impact** of these schemes at the regional level.

## 1.2. OBJECTIVE

This paper aims to:

- Assess the effectiveness of women-focused government schemes.
- Examine implementation patterns in Rajasthan and Tamil Nadu.
- Offer policy suggestions based on case study findings.

### Government Schemes for Women Entrepreneurs

Scheme Name	Target Group	Loan/Support Amount	Type of Support
PMEGP	Unemployed youth & artisans	Subsidy up to 35% on project cost	Subsidy + credit + training via KVIC
TREAD	Women entrepreneurs	Grant up to 30% for training and credit	Training + credit linkage
Mahila E-Haat	Women entrepreneurs (market access)	No direct funding; online marketing platform	Digital platform for product showcasing

## 1.3. REVIEW OF RELEVANT LITERATURE

India's long-term vision of *Viksit Bharat @2047* is underpinned by a commitment to inclusive, equitable, and sustainable economic development. Central to this vision is the **empowerment of women through entrepreneurship**—not only as a means of financial independence, but as a strategic pillar of national productivity. The past decade is characterized by an increasing number of scholarly articles focusing on the **interplay** between **gender**, **policy intervention**, and **entrepreneurial success**.

Raut (2025) notes that the shift of women being beneficiaries to being creators of enterprise value is being enabled by **startup programs** and **special-purpose financial programs** such as the Mahila Bank, MUDRA, and Stand-Up India. His review highlights that **gender-responsive financial products** do not suffice unless they are integrated into institutional support systems, which provide skills, mentoring, and visibility. The paper highlights the national motto: Strong Women, Strong India, as not just a slogan, but as a framework that can be implemented and directly linked to India's 2047 development agenda.

This macro lens is supplemented by Rishika (2024), who assesses the relationship between **entrepreneurship** and **employability skills** and **economic readiness** among undergraduate women in India. According to her results, entrepreneurial **confidence** and **career adaptability** in the real world are considerably enhanced by exposure to programs such as Startup India, Stand-Up India, and Skill India. This is directly connected with the aim of Viksit Bharat to change demographic potential into economic leadership by involving women in business and innovation.

In a wider survey conducted by Mitra (2022), the **structural challenge** of women entrepreneurs in India is explored, even though there has been a rise in policy efforts. She cites the issues of the lack of awareness, digital illiteracy, **patriarchal gatekeeping in financial institutions**, and the **lack of risk-capital culture** as an ongoing problem. It is important to note that Mitra believes that schemes usually assume the existence of a universal profile of a woman entrepreneur without adapting to regional, cultural, and educational variations, and thus, they are not as inclusive as they should be.

Chaudhary & Chaurasiya (2024) concentrate on **capacity building**, examining the role of training programs associated with government schemes in increasing enterprise sustainability, particularly in Tier-2 and Tier-3 regions.

Their research supports a policy understanding that **financial access should be combined with access to knowledge**, a gap that is regularly overlooked in practice.

Additionally, Gochhayat and Rout (2025) argue that sustainable development through entrepreneurship will remain aspirational unless India addresses the **disconnect between business and government stakeholders**. Their work on women in the manufacturing sector reveals that sustainability-linked entrepreneurship—aligned with climate, equity, and rural inclusion goals—can only thrive through long-term planning and **cross-sector collaboration**.

Finally, a meta-review by Rao (2020) summarizes more than 40 studies on women entrepreneurship barriers in India and presents them in the context of a policy evaluation matrix. It is a reminder that monitoring devices, not only of loan disbursement but of **business success, survival rate, and household impact**, are needed where government schemes shift the gears of intent to impact.

Together, these works provide a conceptual backbone for this study. They affirm that women's entrepreneurship must be positioned not only as an instrument of welfare but as a **strategic pillar for India's developmental sovereignty**. As India progresses toward its centennial in 2047, **inclusive enterprise ecosystems** will be as critical as infrastructure and industry. In this light, the following case studies evaluate whether current policies are delivering on that promise—and how they might be refined.

## 2. METHODOLOGY

This research employs a **qualitative case study approach**, focusing on two Indian states—**Rajasthan** and **Tamil Nadu**—to analyze the implementation and impact of women-centric entrepreneurship schemes. The selection of these states was based on their diverse socio-economic contexts and differing levels of entrepreneurial development among women.

### 2.1. DATA COLLECTION

- **Secondary Data:** Drawn from reports published by the Ministry of MSME, NITI Aayog, and SIDBI.
- **Academic Literature:** Peer-reviewed studies from ResearchGate, Springer, and other repositories.
- **Online Scheme Portals:** Data from scheme dashboards (e.g., [mudra.org.in](https://mudra.org.in), [standupmitra.in](https://standupmitra.in)).

### 2.2. ANALYSIS FRAMEWORK

- **Comparative Policy Matrix:** Developed using scheme parameters (see above table).
- **Thematic Coding:** Identified recurring issues such as access barriers, repayment trends, and mentorship availability.
- **Case Contextualization:** Specific focus on how schemes function in real scenarios within Rajasthan and Tamil Nadu.

## 3. CASE STUDY

### 3.1. RAJASTHAN – EVALUATING THE IMPACT OF MUDRA YOJANA ON WOMEN ENTREPRENEURS

The **Pradhan Mantri MUDRA Yojana (PMMY)**, launched in 2015, was envisioned to promote micro-entrepreneurship among underserved sections of society, with special emphasis on **non-corporate, non-farm small/micro enterprises**. It operates through three loan categories—**Shishu (up to ₹50,000)**, **Kishore (₹50,001 to ₹5 lakh)**, and **Tarun (₹5–10 lakh)**—to meet different capital needs. While not exclusively a women's scheme, MUDRA has emerged as a **critical vehicle for women's financial inclusion**, particularly in rural India.

This case study focuses on the implementation and outcomes of MUDRA Yojana in **Ajmer district, Rajasthan**, based on empirical work by Pincha (2022).

In Ajmer, women accounted for a significant share of MUDRA borrowers between 2016 and 2021. The **Shishu category** saw the highest uptake, largely supporting low-capital ventures such as tailoring, food processing, handicrafts,

and petty retail. Many beneficiaries were **first-time borrowers** who had never interacted with formal banks before. MUDRA loans, disbursed through public sector banks and cooperative institutions, enabled these women to either start or expand micro-enterprises.

The effect was, however, subtle. On the one hand, the availability of capital enhanced confidence and exposure among women, particularly in the **semi-urban** and **rural households**. The rate of loan repayment was high (less than 4% in default), implying prudent use. Conversely, a number of structural constraints were revealed. Awareness of high credit categories, such as Tarun, was absent in many women, and therefore, they were left in small-scale operations. In addition, most of the applicants relied on male relatives to provide documentation, the use of digital forms, and bank visits. **Lack of training or mentorship** after the loan also reduced the sustainability of businesses.

Therefore, although the MUDRA scheme showed a **good penetration at the grassroots level**, its transformative effect on the **long-term entrepreneurship development of women** was limited. The findings suggest that **credit access alone is insufficient**—schemes like MUDRA must be accompanied by targeted capacity building, marketing assistance, and digital literacy initiatives to unlock their full potential for women's empowerment.

### 3.2. CATAMIL NADU – THE IMPACT OF STAND-UP INDIA ON WOMEN ENTREPRENEURS

The **Stand-Up India** scheme, launched in 2016, was designed to support **first-time entrepreneurs** from **Scheduled Castes/Scheduled Tribes and women**, by facilitating bank loans ranging from ₹10 lakh to ₹1 crore for greenfield enterprises. A distinctive feature of the scheme is its mandate for every participating bank branch to support at least one woman entrepreneur. Tamil Nadu, with its relatively high financial literacy and entrepreneurial spirit, presents a useful case to understand the real-world implementation of this policy.

A detailed field-based study by Priya and Bose (2021) in the **Chennai district** reveals a mixed picture of awareness and impact. While the state's banking infrastructure and women's self-help groups are more active compared to northern states, **only 57% of eligible women were aware** of the scheme's existence. For those who did access it, most ventures were in **service-based sectors**—beauty salons, tailoring boutiques, and packaged food units.

Beneficiaries who succeeded under the scheme cited strong **local bank cooperation, support from NGOs**, and prior digital literacy as key enablers. However, several applicants faced challenges, especially in:

- Preparing viable **business proposals**
- Meeting **collateral and documentation requirements**
- Sustaining cash flow due to limited market access

Despite these hurdles, women who completed the loan cycle reported an **increase in household income, self-confidence, and local employment generation**—albeit in modest ways.

The **Tamil Nadu case** shows that Stand-Up India can indeed be an **effective enabler of women's financial independence**, but its success is contingent on **complementary support systems**, including hand-holding for business plan development, mentorship, and digital training.

### 3.3. JHARKHAND – LIVELIHOOD-BASED AGRIPRENEURSHIP THROUGH GOVERNMENT SUPPORT

In one of India's most underserved regions, the state of **Jharkhand**, a case study conducted by Bihari et al. (2024) examined how women were empowered through **livelihood-focused schemes** such as **NRLM (National Rural Livelihood Mission)** and **DAY-NULM**. The study focused on a tribal-dominated district, analyzing how **agripreneurial activities**—like mushroom farming, goat rearing, and backyard poultry—were enabled through **Self-Help Groups (SHGs)** and microfinance institutions.

Key findings revealed that:

- Women gained **access to subsidized inputs, skill training, and micro-credit**.
- Over 70% of beneficiaries reported an **increase in household income** within two years.
- However, **market access** and **branding limitations** constrained profit margins.

The study concluded that government schemes worked best when integrated with **community-based approaches** and long-term **mentorship support**.

### 3.4. TAMIL NADU– FOOD PROCESSING SECTOR AND GOVERNMENT FACILITATION

Another case study by Nedumaran and Rani (2024) explored the trajectory of **home-based food processors** in Tamil Nadu, many of whom transitioned from **kitchen-based production to market-scale entrepreneurship** with the help of **MUDRA, PMEGP, and Mahila E-Haat** platforms.

The study followed 28 women entrepreneurs over 24 months and found:

- **Product innovation** and packaging improved after financial access.
- Digital market platforms like Mahila E-Haat helped **increase regional visibility**.
- Women reported improved **decision-making power in households**.

Yet, similar to other regions, constraints included **inconsistent mentorship**, lack of working capital for expansion, and **GST compliance complexities**.

## 4. DISCUSSION AND RECOMMENDATIONS

The evidence gathered from diverse regional and sectoral case studies across India underscores the **complex, uneven, and highly context-dependent impact** of government schemes on women's entrepreneurship. While initiatives like MUDRA Yojana, Stand-Up India, PMEGP, and NRLM have undoubtedly expanded access to finance and institutional support for women, their real-world outcomes are shaped by a combination of **local socio-cultural norms, administrative responsiveness, digital access, and capacity-building ecosystems**.

The **MUDRA** scheme aided thousands of women borrowers in Rajasthan to join small-scale enterprises as first-time borrowers. The high rates of repayment and loan uptake in some sectors, such as tailoring and food production, indicate a true grassroots entrepreneurial spirit. Nevertheless, the constraints of insufficient knowledge on the bigger loan types and lack of post-financing services confined women to micro-enterprises that could not be scaled. These concerns echo the wider tendency in the semi-urban and rural settings, where a lack of financial inclusion is not always accompanied by **entrepreneurial literacy or growth trajectories**.

The **experience of Tamil Nadu with Stand-Up India** revealed one more stratum of structural issues. Access to larger-scale loans was also complex for women who had never been exposed to financial systems and formal entrepreneurship, even in a state with higher literacy levels and strong banking networks. The need to have business proposals, electronic documentation, and formal collateral tended to exclude the same group that the scheme was meant to empower. The successful ones received NGO support and informal mentoring, implying that **credit access is not enough** and has to be accompanied by ecosystem-level facilitators such as incubators, financial literacy, and peer networks.

The execution of livelihood-based programmes such as NRLM in Jharkhand was more community-based. SHGs were not only important in the routing of microloans but also in the development of social trust and accountability among the women of the tribal and low-income communities. The economic change was, however, small and, in many cases, it was hampered by the inaccessibility of **market linkages** and **quality control systems**. Unstable input prices, low price realization, and middlemen dependence were some of the factors that ate into potential gains by women agripreneurs.

In the food processing industry in Tamil Nadu, where the share of women is very high, schemes such as **Mahila E-Haat** and **PMEGP** helped many to formalize and grow their home-based businesses. However, even in this case, the change was not complete. Women had higher income and self-confidence, but had issues with working capital, taxation compliance, branding, and supply chain management. Even with products in the market, most of them were not able to reach larger retail systems or online stores because of digital discontinuities.

There are several common patterns across the four contexts. Concerns first are **awareness** and **outreach**, whereby many women are unaware of the schemes available, or they do not know how to navigate them. Second, although financial inclusion has grown, **institutional support systems**, such as training, mentorship, legal guidance, and market entry support, are mostly non-existent or uncoordinated. Third, schemes by governments do not always take into



account the varying realities of women entrepreneurs, and they are treated as a single entity, rather than as a scheme with several points of entry, age groups, education levels, or sectoral preferences.

To address these shortcomings, a series of actionable recommendations is proposed:

- 1) **Integration of Schemes with Entrepreneurial Ecosystems:** Schemes should be linked with local incubators, state-run business support centers, and digital literacy programs to ensure that loan disbursal is followed by handholding.
- 2) **Simplification of Bureaucratic Processes:** The online portals and application forms must be simplified and should be available in local languages, and first-time users can have in-person support desks at banks or community centers.
- 3) **Capacity-Building as a Parallel Stream:** All financial support schemes must be accompanied by mandatory modules on business planning, compliance, digital marketing, and financial management.
- 4) **Localized Awareness Campaigns:** SHGs, panchayats, and women NGOs can be used to target special campaigns to enhance the schemes in the low-literacy areas. By using community champions and influencers, confidence will get a boost.
- 5) **Real-Time Monitoring and Feedback Loops:** Scheme dashboards should not only monitor loan approvals but also enterprise success indicators (profitability, survival, employment), as well as incorporate beneficiary opinion into scheme redesign.
- 6) **Special Provisions for Marginalized Women:** Specific schemes to deal with widows, differently-abled women, and women in conflict areas should be designed because generic schemes fail to address these vulnerable subgroups.
- 7) **Incentives for Private Partnership and Mentorship:** The government can encourage MSMEs, banks, and successful women entrepreneurs to become mentors or seed investors and create a culture of growth that is not limited to governmental assistance.

To conclude, India has done a good job in providing an enabling policy environment to women through entrepreneurship, but the policy to empowerment road is not a straight path. To fill this gap, it is essential to not only have financial schemes but an entire ecosystem of support, grounded in local realities, data-driven, and aware of structural inequalities women have to deal with. *Viksit Bharat @2047* vision will only be achieved when half of its population can participate fully in its economic story not only as beneficiaries but as agents of change.

## 5. CONCLUSION

This emergence of women entrepreneurs in India is not a simple economic compulsion of the country, but a moral, cultural, and strategic competitive demand of the country looking towards becoming an inclusive, self-reliant, and globally competitive country in the year 2047. However, as this study unfolds, the path of empowering the woman-led business is not made with only money. It involves a convergence of trust, access, knowledge, and long-term mentorship. Where the social reforms are visionary in concept, such as the **MUDRA**, **Stand-Up India**, and **PMEGP**, their local effect on the ground is highly variable based on the local operationalization, socioeconomic limitations, and supporting institutional support.

Whether it is the tentative optimism of micro-enterprises in Rajasthan or the stratified attitudes of awareness and digital ribbons in Tamil Nadu, and the shared agrarian experimentation in Jharkhand, in every instance, the overarching fact raises itself: policy could, but enforcement is might. As the saying goes, *"Empowering a woman is not giving her power—it's removing the barriers that deny she already has it."*

India is at a crossroads as it can either continue to view women entrepreneurs as the beneficiaries of schemes or them can be promoted to become **co-creators of national wealth**. The former will provide inclusion statistically; the latter, real change. Bridging this gap calls for not just more policy alone, but **better policy with embedded accountability, empathy, and ecosystem design**.

In echoing the spirit of *Viksit Bharat @2047*, it is imperative to reimagine these schemes not just as transactions of capital but as **pathways to dignity, innovation, and freedom**. For every woman who dares to step from survival into enterprise, the future of India grows more resilient—and more complete.

## CONFLICT OF INTERESTS

None.

## ACKNOWLEDGMENTS

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