

WOMEN-OWNED MSME IN INDIA: GROWTH TRENDS, ENTREPRENEURIAL PROFILE, AND STRUCTURAL CHALLENGES

ABSTRACT

The study explores the shift from empowerment to enterprise by assessing the growth of women-owned MSMEs from before and after COVID-19, based on secondary data from MSME Annual Reports, Udyam Registration Portal, Sixth Economic Census, NITI Aayog, and Stand-Up India Dashboard. Over this period, registrations increased from 8.05 lakh to 72.14 lakh, with 51.3% of enterprises in rural areas and 48.9% in urban areas, showing balanced regional spread. Educationally, 31.8% of women entrepreneurs have secondary or higher secondary schooling, 22.1% are graduates or above, and 19.4% are illiterate, indicating diverse entry into business. Sectorally, agriculture and manufacturing together account for 64.1%, trade 18.2%, and other services 17.7%, signaling gradual diversification. Policy impact is clear: Startup India reports 81.2% women beneficiaries and PM Mudra Yojana 68.2%, while Skill India at 41.6% and PMEGP at 34.5% show lower uptake. Key barriers remain significant, with 68% facing access to finance, 61% citing work-life balance, 52% constrained by social and cultural norms, 47% lacking skills and training, 43% facing market linkage issues, and 38% affected by regulatory complexity. Successfully turned empowerment initiatives into formal enterprise creation, especially through credit access and startup support. To move women-led MSMEs from survival to sustainable growth, future efforts should focus on cash-flow based lending, vernacular financial literacy, crèche support, e-commerce skilling tied to Mudra loans, Aadhaar-only registration, and mandatory onboarding onto Government e-Marketplace (GeM) and (ONDC), supported by annual disaggregated data for targeted policy design.

Keywords: Women Entrepreneurs, MSME Growth in India, Rural Women Enterprises, Business Challenges.

INTRODUCTION

Entrepreneurship is widely in economic development, innovation, employment generation, and social progress. In recent years, entrepreneurial activities has increased considerably, contributing in India's business landscape. Their diverse sectors such as manufacturing, retail, agriculture, education, healthcare, technology, and services, thereby making significant contributions in societal development.

The process through which women establish, organize, and manage business enterprises while

undertaking the associated risks and responsibilities. The growth of women-owned businesses reflects increasing opportunities for economic participation, financial independence, and social advancement. The expansion has been in improved educational opportunities, technological advancements, digital platforms, government support initiatives, and changing social attitudes. Access to skill development programs, financial assistance schemes, and startup support mechanisms has encouraged many women a viable career option. They also continued to face several challenges, including limited access to finance, market competition, balancing family responsibilities, and societal constraints.

Previous studies have highlighted in Agarwal and Lenka (2018) emphasized that entrepreneurship serves as an effective means of empowering women economically and socially. This paper finds that financial support, lack of mentoring opportunities, and socio-cultural barriers continue to affect the growth of women-led enterprises.

Similarly, Sharma (2013) noted that women entrepreneurs contribute significantly to employment creation, income generation, and regional development. The study identified education, self-confidence, and institutional support as important success factors.

Singh and Belwal (2014) examined women empowerment, The activities enhance women's economic independence and social recognition, although family responsibilities and limited business networks often restrict entrepreneurial growth.

Tambunan (2017) reported that women-owned enterprises help in reducing poverty and supporting economic development. However, restricted in credit, cultural barriers, and inadequate market exposure continue to limit business expansion.

Further, Gupta and Mirchandani (2020) found that entrepreneurial skills, self-confidence, family support, mentorship, and capital are determinants of business success. The suggestion is to provide development programs and supportive entrepreneurial ecosystems can significantly improve the performance of women-owned enterprises.

The concept of moving from empowerment to enterprise highlights the evolving role of women as active contributors to economic growth rather than passive beneficiaries of development initiatives. They generate employment opportunities, support community development, and contribute to national prosperity.

India by exploring the opportunities available to women entrepreneurs, the challenges they encounter, job generation and economic development. Understanding these dimensions is essential for creating an inclusive entrepreneurial environment that promotes the sustainable growth of women-led enterprises and supports the broader objectives of national development.

OBJECTIVES

1. To study women-owned MSMEs in India before and after COVID-19 and improve flow of

government support initiatives.

2. To understand the sector-wise participation, educational background, and rural–urban presence and challenges they face.
3. To evaluate the role of PM Mudra Yojana, Stand-Up India, PMEGP, and Skill India in promoting women entrepreneurship and suggest measures for further growth.

DATA COLLECTION

The data are collected in secondary sources to understand how women in India are moving from empowerment to enterprise. The government sources including Annual Reports of the Ministry of MSMEs from 2016 to 2024, the Sixth Economic Census in 2016, the Udyam Registration Portal, and the StandUp India Dashboard as of June 2024.

Additional data came from NITI Aayog reports 2022, the Global Entrepreneurship Monitor India Report 2023 to 2024, and Press Information Bureau releases. The period covered is 2014 to 2024 to reflect recent policies and post COVID formalization trends.

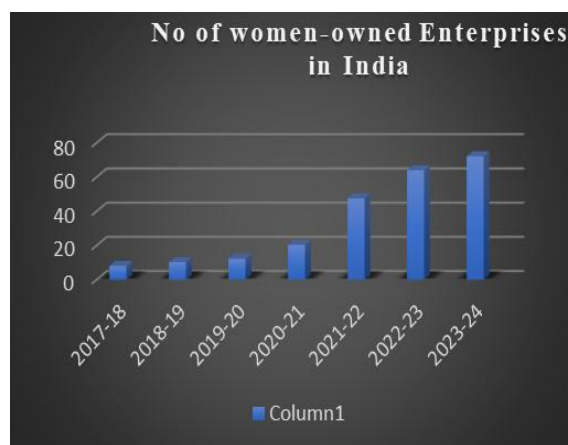
Data on registrations, sector share, education levels, and scheme beneficiaries was compiled into tables and studied using percentages to identify growth patterns and outreach. This ensures accuracy, though informal unregistered businesses may not be fully captured.

Table1: Growth Pattern of Women-owned Enterprises in India (2016-17 to 2023-24)

Financial Year	No of women- owned Enterprises in India
2017-18	8.05
2018-19	10.24
2019-20	12.18
2020-21	20.37
2021-22	47.58
2022-23	63.91
2023-24	72.14

Source: Compiled from MSME Annual Reports

2016-17 to 2023-24 & Udyam Registration Portal

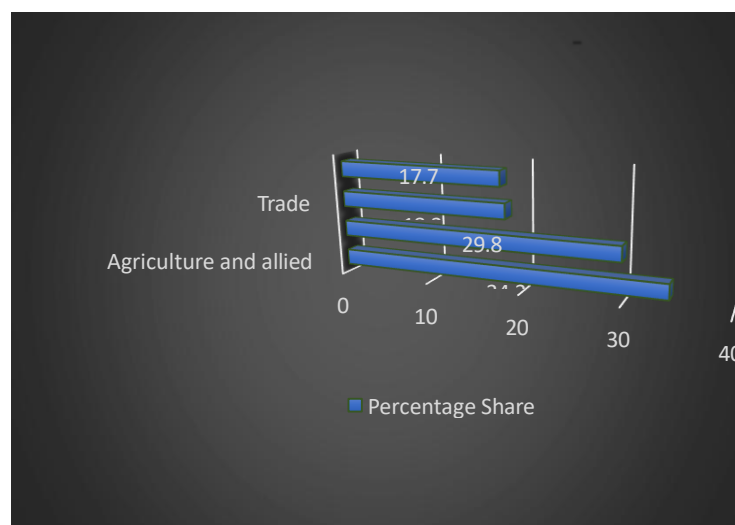


Analysis and Interpretation

Women-owned enterprises in India increased from 8.05 lakh in 2017–18 to 72.14 lakh in 2023–24, showing strong growth over the years. While the increase was gradual during the pre-COVID period, growth accelerated significantly after COVID-19. This reflects the positive impact of government support, digitalization, and increased entrepreneurial participation among women in India.

Table 2: Sector-wise Share of Women-owned Enterprises

Sector	Percentage Share
Agriculture & Allied	34.3%
Manufacturing	34.3%
Trade	18.2%
Other Services	17.7%



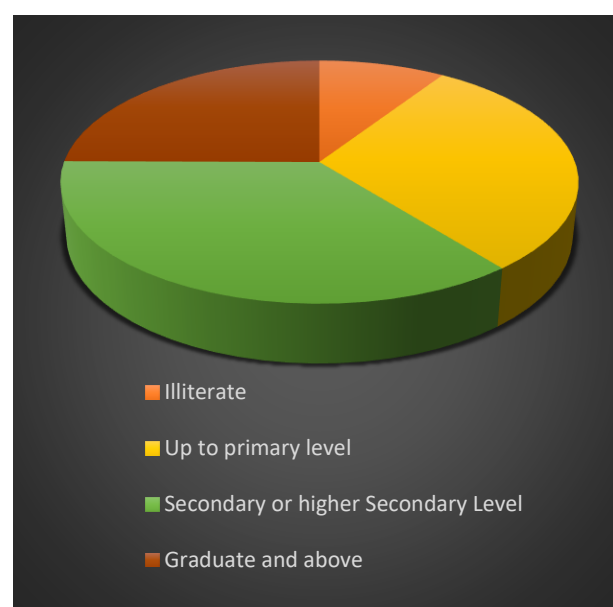
Source: Sixth Economic Census, MoSPI, 2016

Analysis and Interpretation

Women entrepreneurs are largely engaged in Agriculture & Allied Activities and Manufacturing, with both sectors contributing 34.3% of the total enterprises. A smaller share is seen in Trade (18.2%) and Other Services (17.7%). They prefer agriculture and manufacturing-related businesses, while their participation in trade and service activities is also gradually increasing.

Table 3: Education Level of Women Entrepreneurs

Education level	Percentage
Illiterate	19.4
Up to Primary level	26.7
Secondary or higher secondary level	31.8
Graduate and above	22.1



Source: Sixth Economic Census, MoSPI, 2016

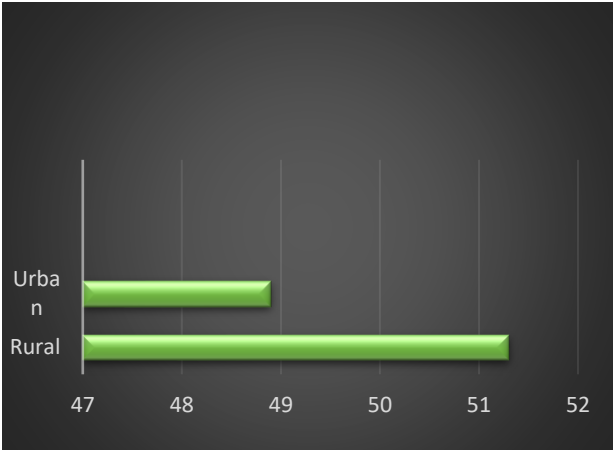
Analysis and Interpretation

The educational profile of women entrepreneurs shows that the largest group (31.8%) has completed secondary or higher secondary education. This is followed by women with primary education (26.7%) and graduate-level education or above (22.1%). A significant share (19.4%) is illiterate. The table shows diverse educational backgrounds are involved in operating business, but based on the table result higher secondary level women are highly taking part in startups.^{27%}

Table 4: Location-wise Share

Location	Percentage	Key sectors
Rural	51.3	Agricuture, Handicrafts, Food Processing
Urban	48.9	Services, Trade, Beauty, IT-enabled

Source: Sixth Economic Census, MoSPI, 2016



Analysis and Interpretation

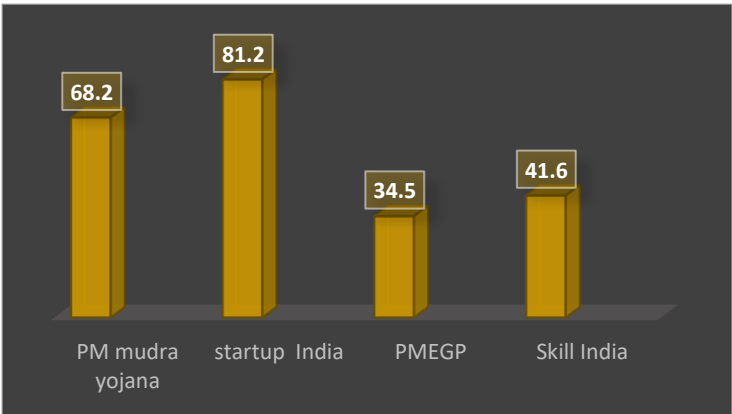
The data shows a balanced distribution of women-owned enterprises across rural and urban areas. Rural areas account for 51.3%, while urban areas contribute 48.9% of the total enterprises, but has a result remote areas village are highly participated compare to city or town individuals.

Table 5: Scheme-wise Beneficiaries among Women-owned MSMEs

Government Scheme	Women share (%)
PM mudra Yojana	68.20
Startup India	81.20
PMEGP	34.50
Skill India	41.60

Source: Ministry of MSME Annual

Report 2023-24 & Stand-Up India Dashboard, June 2024



Analysis and Interpretation

Startup India and PM Mudra Yojana are clearly winning with women 81.2% and 68.2% share shows they're leaning into entrepreneurship and small loans in a big way. Skill India and PMEGP lag behind at 41.6% and 34.5%, which hints that women aren't connecting with those programs as much yet. Basically, when it's about funding and starting up, women show up. When it's traditional skilling or formal enterprise setup, there's still some hesitation or barriers keeping participation lower.

Table 6: Major hindrance as Reported in Government Sources, 2016–2024

Challenge	Affected (%)
Capital	68
Work-Life Balance	61
Social & Cultural Barriers	52
Lack of Skill & Training	47
Market Linkage Issues	43
Regulatory Complexity	38

Source: Compiled by author from MoSPI (2016), NITI Aayog (2022), MSME Annual Report (2024)



Analysis and interpretation

The biggest roadblock for women is Access to Finance at 68%, meaning money is still the toughest piece of the puzzle. Work-Life Balance comes next at 61%, showing how juggling family and work pressures weighs heavily. Social & Cultural Barriers at 52% and Lack of Skill & Training at 47% point to deep-rooted norms and gaps in know-how that moving ahead. Market Linkage Issues at 43% and Regulatory Complexity at 38% matter too, but they're secondary compared to finance and balance struggles. Put simply: if we fix funding access and ease the daily juggle, a lot of the other barriers would start shrinking on their own.

FINDINGS

1. Finance remains the key challenge, with 68% of women entrepreneurs facing difficulties in accessing credit. Despite government support schemes, lending norms and collateral requirements continue to be major barriers.
2. Social factors continue to influence business growth, as 61% report work-life balance issues and 52% face socio-cultural restrictions.
3. Skill and market-related issues persist, with 47% lacking digital skills and 43% struggling to access markets.
4. Formalization remains a challenge, with 38% of women entrepreneurs affected by complex registration and compliance procedures. As a result, many businesses continue to operate informally.
5. Entrepreneurial challenges are closely linked, as limited skills and weak market access often reduce business performance, finance and expand operations.
6. Women-owned MSMEs have grown significantly, increasing from 8.05 lakh to 72.14 lakh registrations. However, 64.1% remain concentrated in agriculture and manufacturing, indicating limited sectoral diversification.

SUGGESTION

1. Many women face difficulties in obtaining business loans because of collateral. Considering cash flow and SHG participation helps in arranging credit.
2. Family responsibilities act as an obstacle to entrepreneurial activities. Childcare and family support generate more supportive environment.
3. Skill development programs should include digital marketing and e-commerce training aids in adapt to changing market demands.
4. Complex registration procedures discourage formalizing their businesses. Simplified processes can encourage greater involvement in the formal sector.
5. Improved access to digital marketplaces expands their customer base. Buyer-seller meets generates opportunities.
6. Regular publication of women entrepreneurship data can support better policy decisions. Accurate information helps identify challenges and design targeted interventions

CONCLUSION:

This study demonstrate that government schemes have successfully driven the transition from empowerment to enterprise for women in India. From 2016-17 to 2023-24, women-owned MSME registrations grew from 8.05 lakh to 72.14 lakh, with 51.1% in remote region. Although 64.1% of enterprises remain in agriculture and manufacturing, the 17.7% share in services and 22.1% graduate entrepreneurs show a shift toward skill-based ventures. The effectiveness of policy support is evident as Stand-Up India has 81.2% women beneficiaries and PM Mudra Yojana has reached 28.7 lakh women with collateral-free credit. Thus, empowerment programs and financial schemes are converting training and credit access into formal business ownership. The 81.2% women share in Stand-Up India suggests that scheme-specific credit provisions are actively promoting enterprise formation among women. The next step is to strengthen digital skilling, simplify finance, and improve market linkages to scale these enterprises from survival to growth and enhance women's contribution to India's economic development

WEB LINKS

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