

# Women Entrepreneurship and Sustainable Rural Livelihoods: Evidence from Self Help Group in India.

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## ABSTRACT

Women entrepreneurs in rural areas are key drivers as they are not only helping their communities grow by creating jobs, using local resources wisely, but also address community needs through innovative sustainable practices. Their enterprises often rooted in indigenous knowledge, local craftsmanship, food processing, small scale manufacturing and sustainable agriculture practices. These enterprises generate income for themselves and also contribute to community growth, poverty reduction, social change and promoting gender equality. However structural constraints such as gender based credit system, lack of training, limited access to finance, infrastructure gap, social and cultural restrictions, market access issues continue to hinder their full potential. Despite facing these challenges women are breaking stereotypes with the help of government scheme, NGOs and self help groups digital platforms. With better training easier market connections, these women can play an even bigger role in making rural areas self-reliant and prosperous. The aim to this article is to show how rural women entrepreneurs are not just earning livelihoods but also they are reshaping their communities by blending traditional skills with innovative, sustainable practices. This article also explores the importance, provocation, and future prospectus of women entrepreneurship as a game changer in rural development.

**Keywords:** women entrepreneur, rural development, gender equality, sustainable development, SHGs.

## INTRODUCTION

Women entrepreneurship in rural areas represents a powerful force for economic growth, social empowerment, and sustainable development. In many parts of the world, rural communities faces challenges limited accesses to resources, infrastructure deficit, and gender disparities. By fostering entrepreneurial ventures led by women, these regions can unlock untapped potential, create job, and drive innovations. This article explore how women-led businesses contribute to rural development, the unique benefits they offer, the obstacles they face, and real-world examples of success.

Women's entrepreneurship has increasingly been recognized by as a vital component of rural development, particularly in developing economies where livelihoods are closely linked to local resources, small-scale enterprise, and community participation. In rural contexts, entrepreneurship offers women oppourtunities not only for income generation but also for social empowerment, enhanced decisions-making capacity, and improved quality of life. By engaging in economic activities, women contribute to household stability, local economic growth, and the overall process of community transformation.

In recent years, the promotion of women's entrepreneurship has gained policy attention due to its potential to reduce poverty, create employment and support sustainable livelihoods. Organized collective platforms, access to microfinance, and targeted development programmes have enable many rural women to initiate and expand small enterprises. These efforts have helped bridge gender gaps in economic participation while fostering financial independence and social inclusion.

However, despite its growing importance, women's entrepreneurship in rural areas continues to be shaped by multiple structural and socio-cultural challenges. Limited access to credit, inadequate skill development, restricted market exposure, and traditional gender norms often constrain women's ability to fully realize their

entrepreneurial potential. Recognizing these barriers, governments and development institutions have introduced various initiatives aimed at promoting financial inclusion, capacity building, and enterprise development among rural women.

Against this backdrop, understanding the role of women's entrepreneurship in strengthening rural livelihoods has become essential for inclusive and sustainable development. In India, where a significant proportion of the population resides in rural areas, women entrepreneurs play an increasingly important role in local economic systems. Examining their contributions, the challenges they face, and the support mechanisms available provides valuable insights into how entrepreneurship can serve as a pathway towards long-term rural transformation and sustainability.

## REVIEW OF LITERATURE

According to Yadav (2021), self-help Groups plays a crucial role in promoting women's entrepreneurship by providing financial assistant and creating oppourtunities for income generation. The study emphasizes that SHGs not only improve economic condition but also enhance women's confidence and decision-making ability. [2]. Kakati (2021) focused on rural women in Assam and found that although women have gained economic benefits through SHGs, they continue to face social and cultural challenges that restricts their entrepreneurial growth. The study underlines the importance of addressing these barriers for sustainable development. [3]. Manickam and Palanivel Rajan (2022) observed that rural women entrepreneurs face several constraints such as lack of education, limited market access, and insufficient training. These factors affects the performance and sustainability of their enterprise. [4] Bardhan and Karan (2025) conducted a study on the role of microfinance in empowering women through Self-Help Groups and found that access to credit significantly enhances women's ability to start and sustain small enterprises. The study also highlights that financial support improves women's participation in economic decision making. [5] Sharma and Kushwaha (2020) observed that women's entrepreneurs in rural areas contribute significantly to employment generation and poverty reduction. However, the study pointed out that lack of infrastructure and limited access to market remain major barriers to their growth.

Overall, the reviewed literature clearly indicates that women entrepreneurship is powerful instrument for rural development by combining economic growth with social empowerment. At the same time, their entrepreneurial journey is shaped by a combination of economic limitations, institutional barriers, and socio-cultural expectations. However, most existing studies tends to focus either on economic outcomes or social dimensions in isolation. Moreover, region-specific and program-based studies dominate the literature, indicating a need for more integrated and comprehensive research. This gap highlights the importance of examining women entrepreneurship as a holistic strategy for rural development, incorporating economic, social, and policy perspectives to promote sustainable women-led enterprise.

### Research Gap:

Despite growing academic interest in women entrepreneurship, existing studies largely focus on empowerment and participation outcomes, with relatively limited emphasis on livelihood sustainability from a management perspective. A large number of studies on women's entrepreneurship and self-help groups (SHGs) in India mainly focuses on financial inclusions, income generation, and women's empowerment. However, limited research examines whether these improvements actually lead to long term sustainable rural livelihoods. Most research adopts a socio-economic approach, while managerial dimensions such as enterprise sustainability, resource utilizations and long term livelihood outcomes remain unexplored, particularly in rural contexts. Furthermore, studies measures short term economic benefits but not fully explore broader aspects of sustainability such as livelihood stability, resilience of risk, skill development, and long term business growth. In addition, differences in SHGs functioning, regional variations, and women's own experiences of livelihood sustainability are often not deeply analysed. Therefore there is need for more comprehensive research that examines how women's entrepreneurship through SHGs contribute to the sustained and long term improvement of rural livelihoods in India.

**Statement of the Problem:**

1. rural women potential remains underutilized
2. barriers like finance education and social norms
3. gap between policy and implementation

**Research Objectives:**

The primary objectives of this study is to ascertain and evaluate the function of self help groups in the advancement of women entrepreneurs. In addition to this important function, major limitations are also examined, along with the ways in which SHGs assists women entrepreneurs in overcoming these obstacles.

- to study the concept of women entrepreneurship.
- to analyse its role in rural development.
- to identify challenges faced by rural women entrepreneurs
- to suggest measures for improvement
- to analyse the effectiveness of financial and institutional support.
- to understand the role of educations and technology in business growth.

**Hypothesis of the Study:**

**H1-** Women's entrepreneurship has significant positive impact on sustainable rural livelihoods.

**H2-** Government initiatives and self-help groups significantly supports the growth and sustainability of women entrepreneurship.

**H0-** women's entrepreneurship has no significant impact on sustainable rural livelihoods.

**RESEARCH METHODOLOGY:**

The study is based on a descriptive research design, which helps in explaining the existing situation of women entrepreneurs in rural areas and their contribution to rural development. Qualitative research design has been applied to conclude the framed objectives. These sources include a variety of research articles, reviews, and case studies that were found online. Using targeted keywords such as "women entrepreneurship," "self help groups," "role of SHGs in women's entrepreneurship development," "reviews", and literature," the paper titles were carefully examined. To improve the theoretical knowledge, other published materials were explored, including book, theses, and websites.

**Scope of the Study:**

This study examines the contribution of women's entrepreneurship to the development of sustainable rural livelihoods. It focuses on understanding how entrepreneurial activities undertaken by women in rural areas help improve household income, create employment opportunities, and support the overall development of rural communities. The study also considered the growing importance of women's participation in small businesses and self-employment as a means of promoting economic independence and social empowerment.

Another important aspect of the study is the identification of the challenges that rural women entrepreneurs commonly encounter. Issues such as limited financial resources, insufficient training opportunities, lack of financial access, and prevailing social norms often influence the growth and success of their enterprises. By examining these factors, the study seeks to highlight the barriers that may hinder the progress of women entrepreneurs in rural settings.

Furthermore, the study explores the role of various government programmes and institutional support systems that aim to encourage women's entrepreneurship. These initiatives are intended to improve financial inclusion, provide skill development, and strengthen business opportunities for women. Through this analysis, the study aims to provide a clearer understanding of how women's entrepreneurship can support long-term rural development in India.

### **Role of Women Entrepreneurship in Rural Development**

Women entrepreneurship often revolves around local resources, agriculture, handicraft, and small-scale service in rural areas. Women who make up a significant portion of the rural workforce, bring unique perspective and skills to these ventures. Their businesses typically focus on community needs, such as food processing, eco-tourism, or sustainable farming, which align with rural economies. According to the world bank, women entrepreneurs in developing countries generate higher return on investment compared to their male counterparts, partly because they reinvest profits into family and community welfare.

Entrepreneurship empower women by providing financial independence, challenging traditional gender roles, and enhancing decision making power. In rural settings, this translates to broader development outcomes, including poverty reduction, improved education, and better health services. For instance, women-led cooperative can stabilize local markets and promote value addition to raw materials, reducing dependency on external suppliers.

1. **Economic Growth:** It stimulates local economies by creating jobs, increasing income, and diversifying livelihoods. A study by the international labour organisation (ILO) indicates that women-owned businesses in rural India have 30%, contributing to overall GDP growth in underdeveloped regions.
2. **Social Empowerment:** beyond economics, ventures foster gender equality. Women entrepreneurs often mentor others, breaking cycles of poverty and inspiring younger generations. This leads to improved literacy rates and reduce child labour, as families gain stability.
3. **Environmental Sustainability:** many women led initiatives emphasize eco-friendly practices, such as organic farming or renewable energy solutions. In rural Africa, for example, women entrepreneurs have pioneered solar-powered businesses, Providing clean energy and reducing reliance on fossil fuels.
4. **Community Resilience:** during crises like natural disasters or pandemics, women-led enterprises adapt quickly, offering essential goods and services. This builds resilience in rural communities, as seen in post-COVID recovery efforts in southeast Asia.

Emerging trends and opportunities:

- SHGs and microfinance
- Agro-based enterprises
- MSMEs and cottage industries

### **Challenges Faced by Rural Women Entrepreneurs:**

Despite its potential, women entrepreneurship in rural areas encounters significant hurdles:

1. financial constraints/assess to finance: limited credit availability and higher interest rates make it hard for women to secure loans. Microfinance institutions often overlook rural women due to perceived risks.
2. low education and skills: many rural women lack formal educations or business skills, hindering their ability to scale operations. Cultural norms may also restrict mobility and networking opportunities.
3. infrastructure deficits: poor roads, unreliable electricity, and inadequate internet access impede supply chains and market access. Gender biases in land ownership further complicate resource management.

4. market access issues: competition from urban enterprises and male-dominated supply chains can marginalize women-led business. Additionally, societal expectations often prioritize household duties over business pursuits.

Addressing these require targeted interventions, such as government subsidies, skill-building programs, and partnership with NGOs.

### **Government Initiatives Supporting Women Entrepreneurs:**

- 1. NRLM (national rural livelihoods mission)-** the national rural livelihoods mission focuses on empowering rural women by organizing them into self-help groups (SHGs) and providing financial and institutional support. Through these groups, women gain access to microcredit, training, and livelihood opportunities. NRLM helps rural women start small businesses, improve their income levels, and strengthen sustainable rural livelihoods.
- 2. Pradhan Mantri Mudra yojana:** Pradhan Mantri mudra yojana provides Mantri mudra yojana provides collateral-free loans to micro and small entrepreneurs. Under this scheme, women can obtain financial support under three categories-shishu, kishor, and tarun-based on stage of their business. The scheme encourages women to establish enterprises such as handicrafts, food processing, tailoring units, and other small-scale businesses.
- 3. stand up India:** The stand up India scheme promotes entrepreneurship among women by providing bank loan ranging from rs.10 lakh to rs.1 crore for new business ventures in manufacturing, service,or trading sectors. The programme aims to supports first-time women entrepreneurs and ensure that financial institutions actively encourage women to start their own enterprises.
- 4. skill India mission:** skill India mission focuses on enhancing the employability and entrepreneurial skills of individuals through various training programmes. Women in rural areas receive vocational training, technical knowledge, and business skills that help them start or manage their own enterprises more effectively.

Overall these initiatives plays an important role in strengthening women's participation in economic activities and promoting entrepreneurship as a pathway for sustainable rural development.

### **CONCLUSION**

This study highlights that women's entrepreneurship in rural area is not only an economic activity but also a powerful driver of social transformation. Women entrepreneurship has emerged as critical catalyst for rural development by enhancing economic participation, strengthening household resilience, and fostering inclusive community progress. Self-help groups have played a significant role in empowering rural women by improving their access to financial resources, enhancing their skills, and strengthening their participation in household and community decision- making. Through collective action and mutual support, women are increasingly able to generate income, manage resources more effectively, and contribute to overall development of their families and communities.

Despite this progress, rural women entrepreneurs continue to face structural and socio-economic constraints, including limited access to financial resources, inadequate training opportunities, restricted market exposure, and persistent socio-cultural barriers. While various government initiatives have played a significant role in supporting women through financial assistance, capacity-building programmes, and institutional framework, challenges related to effective implementation, awareness, and long-term sustainability remain.

Therefore strengthening policy support, expanding skill development, improving financial inclusion, and enhancing market linkages are essential for maximizing the impact of women's entrepreneurship. A comprehensive and sustained approach will not only promote economic empowerment but also contribute to resilient and sustainable rural livelihoods in India. Ultimately, empowering women entrepreneurs is fundamental to achieving balanced, inclusive, and enduring rural development.



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