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ROLE OF GOVERNMENT SCHEMES IN PROMOTING WOMEN ENTREPRENEURSHIP IN INDIA

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ABSTRACT

Women entrepreneurship is significant in the socioeconomic development of India. Over the last decade, the Government of India has initiated various schemes, including MUDRA Yojana, Stand-Up India, Startup India, Skill India, and Mahila E-Haat, to encourage and support women entrepreneurs. Through these schemes, an attempt is being made to increase access to finance, skill development, and market linkages, particularly for women from rural, remote, or marginalised communities. The study utilises secondary data from the period of 2015 to 2025, extracted from government reports, national-level surveys, and policy-related documents, to analyse the effectiveness of the schemes. The findings state that there is growth in the number of women-led businesses through these programs; however, the challenges remain in terms of illiteracy about schemes, access to credit, digital literacy, and social barriers. The paper thus presents recommendations that will make these schemes more inclusive and impactful. This research necessitates better implementation and outreach so that government support reaches all aspiring women entrepreneurs across India.

KEYWORDS: *Women Entrepreneurship, Government Schemes, MUDRA, Stand-Up India, Skill India, Msmes, India, Empowerment*

INTRODUCTION

The onset of recent years has seen a surge in women entrepreneurs in India, especially with help from a slew of government schemes and programs. In a country where women have traditionally been under various social, cultural, and economic incapacities, it is horrifying that woman takes the burden of launching a business. Government initiatives thus shielded them from such handicaps and empowered them with confidence and resources to start their ventures and nurture them. Schemes such as Stand-Up India, MUDRA Yojana, Skill India, Startup India, and Mahila E-Haat were created with a special focus on promoting businesses run by women. The objective is to empower women by rendering aid through financial help, training, mentoring, and market access. With government facilitation working in its favour, thousands of women embarked on their entrepreneurial journey in urban and rural settings. The purpose of this paper is to investigate the contribution of government schemes in the promotion of women's entrepreneurship in different sectors about their design, impact, and constraints, with reliable data from government reports, policy documents, and national surveys up to 2025. Further, the paper will study the further improvements of such schemes to benefit more women and bring sustainability to their businesses.

OBJECTIVES OF THE STUDY

This research study has the following primary objectives:

1. To identify the importance of women entrepreneurship in India's social and economic development.
2. To review and analyse various government incentives launched towards support of women entrepreneurs.
3. To establish the impact of these incentives towards women entrepreneurs in both rural & urban settings.
4. To identify what challenges, exist for women in receiving and utilising these incentives.
5. To indicate how these programs can improve their reach and impact for better outcomes.

LITERATURE REVIEW

The role of women entrepreneurs in India's development has received increasing attention in academia and policy-making. Researchers have pointed out for many years that with adequate government support, women can more easily overcome barriers to starting a business. This is particularly the case for women who struggle with access to finance, skills, and the ability to access markets.

First, **Sharma, Sharma and Singh (2024)** examined the on-the-ground impacts of programs such as MUDRA and Stand-Up India Operating in Rajasthan and Tamil Nadu, they found many women started businesses through these programs, but exposure still limited women's success due to weak mentoring and market analysis and complicated circumstances often resulting in rapid failure of the businesses.

Latha, Murugesh and Pavithra (2024) also highlight that access to capital for women has improved dramatically through government financial schemes, predominantly in urban spaces. However, women in rural areas are missing out on accessing government financial schemes as they are often unable to navigate the formal arrangement with banks**. Kumar and Subedi (2023)**, in a case study on microfinance in Sikkim, found that although government schemes such as DAY-NULM and MUDRA have been effective at mobilising self-help groups, the schemes have failed to ensure any follow up, mentorship, or entrepreneurial training.

In a wider policy evaluation of women's entrepreneurship schemes, **Ahmed, Tripathi, and Rani (2024)** found that the limited reach of the schemes, primarily in tribal and remote

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areas, was caused by lack of awareness, digital illiteracy, and significant reliance on intermediaries.

According to the **World Bank (2024)** only 27% of women-led enterprises that responded to a survey stated they were aware of government schemes accessible to them that could assist their enterprise, pointing to the need for improved outreach strategies. Similarly, the review of the Women Entrepreneurship Platform by the NITI Aayog (2023) indicated that agencies at the state and central levels need to better coordinate their strategies.

The good intentions of programs and initiatives and the scale they are expanding to, all studies agree the extent to which they have actual impact is dependent on how they are implemented at the local level, paired with a level of financial literacy and ongoing mentorship. While the literature evidences some trends of positive movement, all evidence suggests that go further to genuinely support all women entrepreneurs at all socio-economic backgrounds, there needs to be further, more inclusive, and targeted policy interventions.

RESEARCH METHODOLOGY

This research is purely based on secondary data utilising a descriptive research design to study the influence of government schemes on women's entrepreneurship in India. The information was obtained from official government sources, published research papers, and data from organisations such as the Ministry of MSME, NITI Aayog, NSDC and UN Women India. The review covers data and information from 2015 to 2025 and focuses on some of the larger schemes such as MUDRA Yojana, Stand-Up India, Startup India, and Skill India. Data was analysed by way of content analysis and outcome comparison across the different data sources.

Overview of Major Government Schemes for Women Entrepreneurs

In the last 10 years, the government of India has implemented several schemes to encourage women independence. These schemes include elements to promote financial support, capacity development, and economic opportunities for women across the nation. Some key government programs include:

1. **Stand-Up India Scheme (2016)**
   - Goal: provide bank financing in the amount of ₹10 lakh to ₹1 crore to women and SC/ST entrepreneurs to start new businesses.
   - Result: By March 2025, 2.2 lakh women entrepreneurs have benefited from this scheme (Source: Stand-Up India Progress Report 2025).
   - Note: this scheme is focused on greenfield (new) enterprises in the manufacturing, services, and trading sectors.
2. **MUDRA Yojana (Launched in 2015)**
   - Function: Gives collateral-free loans in three different categories: Shishu: up to ₹50,000; Kishor: ₹50,000–₹5 lakh; and Tarun: ₹5–10 lakh.
   - Outcome: Gender division of lending shows that of total MUDRA loans, women entrepreneurs accounted for over 68% as of 2025 (Source: PMMY Annual Report 2025). Sunil Kumar and Subedi (2023) explained that in hilly states like Sikkim, microfinance schemes like DAY-NULM and the MUDRA Yojana are being extended to women self-help groups, but are far less available to provide the entrepreneurship support required.
   - Unique Quality: Easy access to credit through a small finance bank and NBFCS.
3. **Mahila E-Haat (Launched in 2016)**
   - Goal: An online platform to support women entrepreneurs by selling their products to buyers.
   - Impact: By 2025, 40,000 women were listing their products and services on the portal (Source: Ministry of Women and Child Development, 2025).
   - Special feature: No charge for registration and digital marketing support.
4. **Startup India (Launched in 2016)**
   - Purpose: Initiative to facilitate innovation and entrepreneurship through funding, capacity building, and ease of doing business.
   - Impact: Approximately 18% of the recognised startups under this program are women-led Startups (Source: DPIIT, Startup India Report 2024).
   - Special Feature: Initiatives related to Bootcamps and mentorship purely focused on women.
5. **Skill India and PMKVY (Launched in 2015)**
   - Purpose: To impart skill training through various trades, including entrepreneurship development.
   - Impact: As of 2025, over 50 lakh women have been trained through Skill India program (Source: NSDC, 2025).
   - Special Feature: Courses are in regional languages; placement support available.
6. **Udyam Sakhi Portal (Launched in 2018)**
   - Purpose: A platform specifically dedicated to guiding, mentoring, and supporting women entrepreneurs in the MSME space.
   - Impact: Provides end-to-end services from loan guidance to market linkages and project ideas.
   - Special Feature: This was created by the MSME Ministry to promote only women-specific entrepreneurial support.

Together, these government schemes provide the base and foundation for women to enter the entrepreneurship space and aim to alleviate financial, social, and educational barriers faced by women, particularly in semi-urban and rural India.

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Table 1: Summary of Major Government Schemes Promoting Women Entrepreneurship

Scheme Name	Year Launched	Objective	Target Group	Women Beneficiaries (Till 2025)
MUDRA Yojana	2015	Collateral-free micro-loans	Women micro-entrepreneurs	30 million+
Stand-Up India	2016	Loans ₹10 lakh–₹1 crore to SC/ST and women	SC/ST and women	2.2 lakh+
Startup India	2016	Startup funding and support	Women-led startups	~18% of 1.2 lakh startups
Skill India / PMKVY	2015	Skill training for self-employment	Unskilled/semi-skilled women	50 lakh+ trained
Mahila E-Haat	2016	E-commerce portal to promote women entrepreneurs	Artisans and SHGs	40,000+ listed
Udyam Sakhi Portal	2018	Mentorship and support for MSMEs	MSME women	Platform-based support

ANALYSIS AND DISCUSSION

Government programs in India support women entrepreneurship, but in different ratios in different areas/industries. Below is an argument in which the programs have worked positively, and where the challenges remain:

1. **Growth of Women-Led Enterprises**
   - According to the Udyam Portal (2025), over the last five years, more than 22% of new MSMEs have come from women-led enterprises.
   - There has been success in Maharashtra, Tamil Nadu, West Bengal, and Gujarat in growing female entrepreneurs in sectors such as textile, food processing, and small-scale trading.
   - But there have been fewer women entrepreneurs in rural and tribal areas, with poor awareness and barriers to banks and internet access.

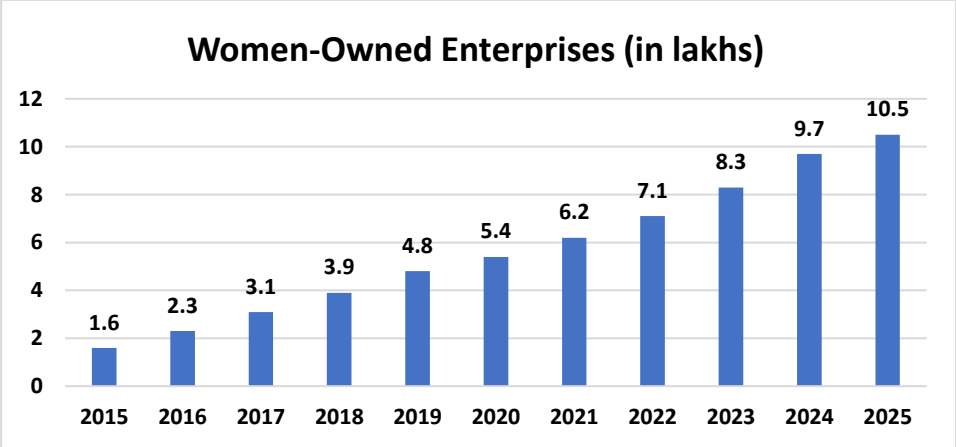


Figure 1: Growth of Women-Owned Enterprises in India (2015–2025)
Source: Udyam Portal, 2025

2. **Improved Financial Access**
   - MUDRA Yojana and Stand-Up India have made loans increasingly accessible. By 2025, over ₹1.9 lakh crore worth of loans had been disbursed to women under the MUDRA scheme.
   - Many women have started their own ventures, including tailoring, beauty parlours, local kirana shops, or some food establishments **Sharma et al. (2024)** observed that while schemes like MUDRA and Stand-Up India have helped initiate many women-led ventures, the long-term survival of these businesses is often at risk due to poor post-loan support and market linkages.
   - Nonetheless, bank procedural documentation, lack of collateral, and low credit scores still posed challenges, particularly to first-time entrepreneurs.
3. **Skill development and training**
   - The various programs under Skill India and PMKVY scheme has enabled millions of women in several sectors of the economy.
   - There remains a gap between receiving training and achieving business success. Many women complete their training but fail to transition their skills into business success due to fear of failure or lack of encouragement from their homes.
   - Soft skills like digital marketing, business planning, and bookkeeping are still missing in many trainings' centres
4. **Technology and Digital Platforms**
   - Digital platforms like Udyam Sakhi and Mahila E-Haat have provided opportunities for women to reach new consumers and markets.

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- That said, digital illiteracy, particularly in rural areas has limited the ability to leverage these platforms fully.
- There are also constraints related to internet access and mobile phone ownership among women, as well as barriers to women's use of digital platforms in general because these levels are not equal with men.

5. **Social / Cultural Constraints**
   - Women in various areas of the country may face additional constraints when it comes to travelling, working outside the house, and dealing with male customer/client and government representatives.
   - Women's roles in the family, social expectations dictated by gender, and a lack of familial support and encouragement continue to prevent many capable women from pursuing opportunities as entrepreneurs.
6. These are obstacles to participation which do not have a financial basis and fixing these issues requires much more than strategic programs to address the perceived barriers. This strongly aligns with recent findings from the study done in partnership with the A recent study by **Business-Government Research Group (2025)** concluded that corruption, tax complexity, and weak enforcement continue to limit the effectiveness of schemes targeting women entrepreneurs in manufacturing sectors
7. **Implementation Challenges**
   - Some reports (e.g. NITI Aayog, 2023) have identified the problem to be low awareness about the schemes.
   - Many women do not know what the benefits are or how to apply. **Ahmed et al. (2024)** found that many women in rural areas still struggle with complex loan procedures, a lack of information, and dependency on middlemen despite the availability of government schemes.
   - In some cases, middlemen or local officials asked for bribes or delayed applications, eroding participants' trust in the system.

SUMMARY OF KEY FINDINGS

- Financial support had risen and needed to be made more accessible and flexible.
- Training programs provide usefulness but need to more fully explore real-world business skills.
- Digital tools provide usefulness, but only if women are trained to use them in a way that builds their confidence.

Generally, social barriers and corruption at the local level are several other serious barriers to women's entrepreneurial development, which require effective action.

FINDINGS OF THE STUDY

Based on the findings from government data, reports, and existing literature the following four key findings are drawn:

1. **Government Schemes Have Promoted Women Entrepreneurship**
   - Schemes such as MUDRA, Stand-Up India, and Start-up India have promoted lakhs of women to start small businesses across India.
   - Women-led businesses have grown particularly in services and retail. **According to Latha et al. (2024)**, schemes such as Stand-Up India and Startup India have been crucial in improving access to institutional funding for first-generation women entrepreneurs, especially in urban regions Results should not seen as indicative for first-generation women entrepreneurs in rural and backwards Areas.
2. **Urban Areas are Benefiting More Than Rural Areas**
   - Women in urban areas have better access to information and access to banking and internet facilities.
   - Women in rural and backwards areas face challenges such as low awareness, lack of support, cultural limits that hinder the opportunity for success for schemes.
3. **Access to Finance is Improved, but Uneven**
   - Many women received loans under these government schemes, but first-time women borrowers, especially those who had no assets or documented income had high instances of rejection/delays.
3. **Training and Skilling Activity is Increasing.**
   - Millions of women have been trained in skills such as tailoring, food processing, beauty services and handicrafts through government schemes.
   - But most women do not turn their skills into business development because of lack of mentorship and market linkages.
4. **Digital Tools Are Underutilized**
   - The platforms Mahila E-Haat and Udyam Sakhi were useful but not widely used by women as they do not know how to use them or there is no smartphone or internet in many areas.
5. **Social Norms Still Hold Women Back**
   - Many of the women still face family pressures, fear of failure, and mobility issues as they are not ready to enter full-time entrepreneurship.

CONCLUSION

Government schemes in India have a vital role in promoting and supporting women entrepreneurs. With programs like MUDRA, Stand-Up India, Start-Up India, and Skill India providing access to loans, training, and platforms supporting entrepreneurs, there has been an increase in the number of women-led enterprises over the past 10 years, more so in urban areas. However, women in rural areas, or from disadvantaged or marginalized communities face a host of challenges including lack of awareness, social constraints or barriers, and opportunities regarding finance or technology. While the Government has developed useful programs for women entrepreneurs the implementation and outreach must improve to ensure women have equal opportunity and benefits through these schemes. To reap the potential of women entrepreneurs in India, financial assistance is just a part of the solution; there also needs to be a robust support mechanism of online training, local mentorship, and awareness programs so that women from all corners of the country have access.

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SUGGESTIONS

Based on the findings of this research, the following suggestions are made to improve the impact of government schemes on women entrepreneurship:

1. **Raise Awareness To promote awareness, the following can be done:**
    - Use local language in the advertisement through radio, television, social media, community centres, etc to raise awareness among women in relation to schemes available to them.
    - Engage local NGOs, SHGs (Self-Help Groups), and local leaders to raise awareness.

2. **Strengthening Training and Mentorship Initiatives**
    - Include hands-on business basics training like bookkeeping and record keeping, customer handling, digital marketing, online selling, etc. already part of the Women's Economic Empowerment program.
    - Assign a mentor or business advisor at district level to support women entrepreneurs.
3. **Enhanced Loan Access and Process**
    - Ensure loans are non-complex and do not have forms that are overwhelming to the first-time woman entrepreneur.
    - Market fewer collaterals for loans and more support offered from institutions to meet repayment flexibility.
4. **Focus on Rural and Tribal Areas**
    - Set up special women entrepreneurship cells in rural and tribal districts.
    - Provide mobile-based services to reach women in remote areas.
5. **Promote Digital Inclusion**
    - Distribute smartphones with free or minimal data plans to women entrepreneurs in backwards areas.
    - Provide basic digital literacy programs to women of all ages.
6. **Regularly Monitor and Evaluate Schemes**
    - Establish a transparent feedback system to monitor the successes and challenges of each scheme.
    - Engage women beneficiaries in evaluation and suggestions for improvement of the schemes.

By incorporating these suggestions, the government can improve inclusivity and effectiveness of its schemes, which will lead to more women becoming successful entrepreneurs and enhancing the economic and social progress of India.

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