International Journal of Advanced Research in Management and Social Sciences
ISSN: 2278-6236
Impact Factor: 8.624

Women Entrepreneurship in the Era of Atmanirbhar Bharat: Progress, Constraints, and Prospects for Inclusive Growth

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Abstract

This study examines the role of women entrepreneurs in India within the framework of the Atmanirbhar Bharat Abhiyan (Self-Reliant India Mission), launched in 2020 to promote economic self-reliance, innovation, and inclusive growth. Drawing on data from the Ministry of MSME, DPIIT, MoSPI, and the 2025 joint report by TransUnion CIBIL, WEP (NITI Aayog) and Microsave Consulting, the paper analyzes trends in women-led MSMEs, informal micro-enterprises (IMEs), and startups. Women-owned MSMEs constitute 21.83% of total MSMEs, generating over 40 million jobs, while women-led IMEs account for 62.18% of grassroots employment. Startups with women directors are also on the rise, highlighting growing participation in high-growth sectors. Despite progress, women face structural, socio-cultural, and financial constraints limiting scale, market access, and innovation. The study emphasizes that enhancing women's entrepreneurship through credit access, formalization, skill development, and sector-specific support is pivotal for employment generation, economic empowerment, and achieving the inclusive growth and self-reliance goals of Atmanirbhar Bharat.

Keywords: Women Entrepreneurship, Atmanirbhar Bharat, MSMEs, Financial Inclusion; Informal Micro-Enterprises, Gender Empowerment, Startups, Inclusive Growth

Introduction

The Atmanirbhar Bharat Abhiyan (Self-Reliant India Mission), launched by the Government of India in 2020, aims to build a resilient, self-sustaining, and globally competitive economy. It focuses on promoting domestic manufacturing, innovation, and entrepreneurship through reforms in infrastructure, finance, and governance. Central to this vision is the empowerment of citizens to drive economic growth from the grassroots. By encouraging micro, small, and medium enterprises (MSMEs), start-ups, and local industries, the initiative seeks to reduce import dependence and enhance employment.

Within this framework, women entrepreneurs hold a uniquely significant position. Despite constituting nearly half of India's population, women's contribution to Gross Domestic Product (GDP) remains limited to approximately 18% (TransUnion CIBIL, WEP & Microsave Consulting, 2025). Women's participation in entrepreneurship is both a reservoir of economic potential and a catalyst for inclusive growth. Women entrepreneurs, across rural and urban India, represent an untapped reservoir of productivity, innovation, and demand-side resilience. Therefore, enabling women to found, formalize and scale businesses directly supports the self-reliance objective.

This paper examines how effectively has the Atmanirbhar policy ecosystem boosted women's entrepreneurship over the past five years, what constraints remain, and what policy initiatives can accelerate women's economic empowerment and contribution to national self-reliance.

The study focuses on the period surrounding the Atmanirbhar reforms (2020-2025).

Women Entrepreneurship in India: Trends and Statistics:

Women-Owned MSMEs:

The formalization of enterprises through the Udyam registration portal has proved crucial for analyzing women's participation in entrepreneurship. Since the inception of the portal in July 2020 until October 2024, women-owned MSMEs have registered a significant presence:

Contribution of Women owned MSMEs to total MSMEs registered on Udhyam Portal since inception (July 2020 to Oct. 2024) –

Category	Total number of MSMEs	Employment	Investment (Rs. Crore)	Turnout (Rs. Crore)
Women MSMEs	6661675	40528265	161184.31	2280907.01
MSMEs	30517610	199872880	1341535.28	21015624.49
%age of Women owned MSMEs	21.83	20.28	12.02	10.8

Source: Women and men in India, 2024 – Social Statistics Division, MoSPI

Women-owned MSMEs constitute 21.83% of total MSMEs, contributing over 40 million jobs with investments worth approximately ₹1.61 lakh crore. Though women-owned MSMEs constitute 21.83% of all registered enterprises, contributing 20.28% of total employment, they contribute 12.02% to total investment and 10.8% of total turnover. Women entrepreneurs represent over one-fifth of total registrations but their contribution to investment and output remains relatively lower, highlighting a persistent gender gap in scale and productivity within the MSME ecosystem (Ministry of MSME, 2024). This also highlights a structural challenge. While women are participating in enterprise creation, the scale and market impact of their businesses are comparatively lower than their male counterparts.

Women in Informal Micro Enterprises (IMEs)

Informal micro-enterprises (IMEs) play a crucial role in employment, especially at the grassroots level. Between January 2023 and October 2024, women-owned IMEs accounted for:

Contribution of Women owned – Informal Micro Enterprises to total IMEs since inception (11 Jan 2023 to Oct 2024)

Contribution of Women owned – Informal Micro Enterprises to total IMEs since inception (Jan 2023 to Oct. 2024)	Total	Employment (No. of Persons)
Women IME	14368466	16993637
IMEs	23107483	27330507
%age	62.18	62.18

Source: Women and men in India, 2024 – MoSPI

The 62.18% contribution of women in both the number of IMEs and employment underscores the pivotal role women play in local economies, especially in semi-urban and rural regions. Informality enables women to engage in entrepreneurship with lower entry barriers. However, it also limits access to formal credit, scaling opportunities, and regulatory support.

Women-Led Startups

Startups represent high-growth potential in India's entrepreneurial ecosystem. The Department for Promotion of Industry and Internal Trade (DPIIT) recognizes women-led startups (with at least one women director) across states. Data from 2020 to 2024 indicates:

No. of Women led STATR-Ups recognised by DPIIT across the states year -wise (with at least one women director):

Year	Number of start ups
2020	6661
2021	10194
2022	12866
2023	17035
2024	17405

Women and men in India, 2024 – Social Statistics Division, MoSPI

PIB update (Dec. 10, 2024) shows a growing count of startups with women directors. There were 73,151 startups registered by Oct 31, 2024 with at least one-woman director recognized under Startup India. This accounts for almost half of the 1,52,139 startups supported by the government, underscoring the pivotal role women entrepreneurs play in driving innovation and economic growth (PIB updates, Dec. 10, 2024).

Though the women in these start-ups may not necessarily be at parity in founder roles or equity stakes but it still represents a notable presence This suggests women are increasingly present in the formal startup ecosystem and it could translate into higher-productivity outcomes if support systems (venture capital, mentorship, incubation) are gender-sensitive.

Credit Access and Financial Inclusion

Access to formal credit is a critical enabler for women entrepreneurship. Women's financial inclusion has improved significantly under the Atmanirbhar Bharat framework, driven by targeted schemes and institutional support.

Growth in Women Borrowers

A joint report by Transunion Sibil, WEP (NITI Aayog), and Microsave Consulting in March 2025 reported that the number of women seeking credit increased threefold between 2019 to 2024 and the number of women availing retail credit in India grew at a Compound Annual Growth Rate (CAGR) of 22%.

The other findings by this report regarding financial shift were:

1. In terms of business purposes, including business loans, commercial vehicles, equipment loans, and loans against property, approximately 37 lakh new loan accounts were opened by women, with a cumulative disbursement of ₹1.9 lakh crore.
2. The number of business-purpose loan accounts increased 4.6 times since 2019. However, they still constitute only 3% of total loans availed by women in 2024.
3. Credit for personal loan forms a major share of loans availed by women. These loans accounted for 42% of all loans availed with value of Rs. 4.8 lakh crore. This was 42% of all loans availed by women in 2024.
4. The percentage share of business loans by women below 30 years age was 18% of the total loans availed by them.
5. Women borrowers in semi-urban and rural areas demonstrate higher adoption of loans for 84% of total agriculture loans and 65% of total business loans in 2024.

   This reflects both the sectoral opportunities available and the success of policies targeting rural financial inclusion. Credit access for rural women entrepreneurs remains pivotal for scaling micro and small enterprises, improving income generation, and driving local economic development.

While business loans are gaining popularity among women, government initiatives have also substantially enhanced financial access. Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) issued 22% of total guarantees to women for collateral-free loans as of March 2024, while Stand-Up India sanctioned 84% of 2.09 lakh loans to women entrepreneurs by November 2023, reinforcing support for women-led businesses (TransUnion CIBIL, WEP & Microsave Consulting, 2025).

Challenges Faced by Women Entrepreneurs

Despite notable progress, women entrepreneurs encounter systemic, social, and operational challenges.

1. **Structural Barriers**

Access to finance remains constrained by insufficient collateral, limited credit history, and risk-averse lending practices. Market access and supply chain integration are also restricted, particularly for women in rural or semi-urban areas. Limited digital infrastructure further constrains women from leveraging e-commerce or fintech solutions for scaling.

2. **Socio-Cultural Constraints**

Traditional gender norms and household responsibilities restrict women's time and mobility. Social expectations often discourage high-risk entrepreneurial activity, especially in urban competitive sectors. These constraints exacerbate gender gaps in business participation and scale.

3. **Informality and Regulatory Challenges**

A significant proportion of women entrepreneurs operate in the informal sector. While this allows low-barrier entry, it limits access to government incentives, institutional finance, and formal legal protection. Compliance and regulatory burdens can further deter scaling.

4. **Skills and Capacity Gaps**

Many women micro-entrepreneurs lack formal training in management, digital literacy, marketing, and technical skills. This limits operational efficiency, innovation adoption, and competitiveness, particularly for startups and MSMEs aiming to scale.

5. **Financial Literacy and Awareness**

Awareness of government schemes, credit facilities, and digital finance platforms remains low, especially in rural areas. Bridging this information gap is essential to ensure women can fully leverage policy support and financial inclusion initiatives.

Impact on Economic Empowerment

1. Employment Generation and GDP Contribution

Women-owned MSMEs have emerged as a major source of employment generation in India's industrial landscape, contributing over 20% of total MSME sector jobs and employing more than 40 million people across rural and urban regions. Although their direct contribution to national GDP remains relatively modest at around 18%, this share is far from negligible given the multiplier effects these enterprises create within local economies. Women-led MSMEs and informal micro-enterprises (IMEs) collectively act as a foundation for India's employment-intensive growth model, particularly in labour-surplus states. The high employment absorption rate of 62.18% among women-owned IMEs (MoSPI, 2024) underscores their crucial role in sustaining livelihoods, reducing rural distress, and enabling inclusive economic participation at the grassroots level.

2. Reduction in Import Dependence

Women-led MSMEs, through their focus on domestic production, value addition, and service delivery have significantly advanced the Atmanirbhar Bharat objective of reducing import dependence. These enterprises are increasingly active in manufacturing sectors such as textiles, handicrafts, food processing, healthcare products, and eco-friendly goods. By promoting localized production, women entrepreneurs have strengthened domestic supply chains and contributed to substituting imported goods with home-grown alternatives.

3. Social and Gender Empowerment

By engaging in enterprise creation, women are not only transforming their own economic status but also uplifting families and communities. Their increased participation promotes inclusive growth, enhances household welfare, and drives progress toward gender equity.

4. Innovation and Economic Resilience

Women-led startups and high-growth enterprises have become vital engines of innovation in India's evolving economy. They are driving breakthroughs in products, services, and business models across sectors such as fintech, health tech, agri tech, and sustainable manufacturing. During the COVID-19 pandemic many women entrepreneurs adapted production and delivery systems to meet critical needs.

Recommendations

Expand Access to Institutional Credit

- Simplify documentation and risk assessment
- Increase limits for collateral-free loans
- Promote awareness of schemes and digital financing tools

Promote Formalization of Informal Enterprises

- Incentivize registration on the Udyam portal
- Provide tax breaks, subsidies, and mentorship for transitioning from informal to formal MSMEs

Skill Development and Capacity Building

- Offer digital literacy, financial management, and sector-specific training
- Target rural and semi-urban women for maximum employment impact

Sector-Specific Support

- Focus on agriculture, healthcare, education, technology, and e-commerce
- Develop market linkages and supply chain support

Strengthen Startup Ecosystem

- Mentorship, incubation, and networking for women-led startups
- Access to venture capital, innovation grants, and global market linkages

Monitor and Evaluate Impact

- Regular reporting on women's contributions to MSMEs, IMEs, and startups
- Policy adjustments based on data-driven evidence to enhance inclusion and scale

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