

# Women Entrepreneurship in Rural India: Demographic Factors Acting as An Impediment to Growth with Special Reference to Uttarakhand Region of India

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## Abstract:

It can be said that Women play an important role not only in family but also in the upliftment of the economy as the facts state that 45% of successful businesses have female in the leading and decision taking roles. In order to make this process more inclusive Central and State Government together are working in the upliftment of rural women as Women Entrepreneurs. This paper is the part of the central agency funded project which analyzes the status of Women Entrepreneurship in rural areas a key role in making Atma Nirbhar Bharat. The purpose of this paper is to analyze the factors which are acting as growth impediment so that new policy measures could be taken keeping the following points in mind.

**Keywords:** Demographic factors, entrepreneurs, Uttarakhand region, entrepreneurial performance, rural women

## INTRODUCTION

“Yatra Nari Astu Pujyante, Ramante Tatra Devataa” is one of the verses from Manu Smriti which means God resides in places where women are worshipped. Traditionally women were supposed to be superior to men and were considered that the creation of life (Srishti) was done by the Shakti(women). They were given equal positions in the Vedas and Shoklas. But such discussions have been limited to the educated and the urban class of the society. Women have been beaten, burnt alive for being able to bring dowry or a male child, raped, and assaulted. As women constitute half of the total population, without their involvement in entrepreneurial activities, economic growth cannot happen. If we dig down in rural India, gender inequality and gender discrimination are rampant issues faced by women. Women are married at a young age, lack education opportunities, unaware of the medical, birth control and sanitization facilities. Therefore, Rural India needs to take care of this underprivileged section which needs to be promoted for the economic development of the country. Rural women have a lot of zeal, potential, and talent which needs to be guided in the right direction to make use of this human resource that would otherwise go wasted. For an Atma Nirbhar Bharat which promotes gender equality, it becomes imperative to support women entrepreneurs in rural India.

Dr Abdul Kalam believed "empowering women is an important prerequisite for developing a good nation, as successful women influence a good society and nation." However, the low number of women entrepreneurs has been attributed to many factors. Even though there has been a healthy trend among women to take on entrepreneurial responsibilities, the number is less than it should be. There are many reasons, including societal pressure, a lack of knowledge, and family obligations

Women have traditionally been confined to the house and not treated as equal partners in traditional societies. In modern societies, women have stepped outside the house to participate in all sorts of activities. Today, with the growth of the MSME, many women have delved into entrepreneurship and are also successfully operating their businesses. Women are

more likely to venture into business due to their education, work experience, improved economic conditions, and financial opportunities. Indian women entrepreneurship represents a group of women who are exploring new economic opportunities. Women's entry into organized business is a relatively recent phenomenon. Women's entrepreneurship is an important factor in industrial growth. Indian entrepreneurs have always occupied a strategic position in the economy, which has made India a land of entrepreneurs. About 45% of the country's industrial output comes from village and MSME units; 30% of exports come from them, and 96 million people work in these units throughout the country. As defined by the Government of India, women entrepreneurs are defined by their participation in equity and employment in a business. Women entrepreneurs add a whole new dimension to entrepreneurship, which is motherhood. They balance motherhood with their business activities. It is their philanthropic desire to make the community a better place for themselves and their family.

Women are increasingly invading this traditionally masculine world of entrepreneurship, which means one of the growing dimensions of entrepreneurship is gender. Despite the many social barriers, uncovered and hidden, along with the embedded discrimination that Asian women face, entrepreneurial trends are still evident among Asian women. Entrepreneurship, employment, and innovation are strongly impacted by demographic change. Demographic change affects all issues discussed in economic circles - education, employment policy, taxes, technological advances, etc. Demographic analysis anticipates future trends, helping decision-makers to prepare policy interventions accordingly. As part of the \*Demographic Profile\*, gender, marital status of the respondent, working status of spouse, formal business education, mode of business establishment, style of management, and mode of the business establishment have all been reviewed, though the mode of business establishment has a gender gap over rest.

The evidence from developing and developed countries on the performance of female entrepreneurs' firms are comparable. In general, women have lower growth expectations, and their firms tend to grow slower in sales and employment compared to men even when sectoral differences are considered. In many developing countries, women are perceived to be primarily concerned with survival rather than growth. The findings that habitual female entrepreneurs in developing countries tend to be portfolio entrepreneurs as opposed to serial entrepreneurs may be explained by this, as they often seek diversification of sources of income and survival chances. Therefore, it would be interesting to study the Demographic Profiles of these male and female entrepreneurs and identify the differences if any, between the Descriptive Profiles.

### Literature Review

As women constitute half of the total population, without their involvement in entrepreneurial activities, economic growth cannot happen. The promotion of women's entrepreneurship by the government is promoting the education of girls' children and also helps in reducing the gap between gender inequality. The Government of India has defined women entrepreneurs as —an enterprise owned and controlled by women having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generated in the enterprise to women.

**P. Jayakumar and J. Kannan (2014)** Mainly talked about the challenges faced by the women for self-employment. Women face various challenges and one of the crucial challenge faced in their day to day life is women overlapping responsibility of business and family, their risk averse attitude, illiteracy among rural women, lack of training and support etc. With the increasing effort of Government towards their upliftment is an opportunity for the women. Patriarchal society is another major reason for the reduced growth of women in businesses. They get poor degree of financial Freedom in Indian families especially in the region where literacy rate is low, the women cannot take the business decision without the consent of the family and abiding by the social ethics and tradition of the society. Thus, creating the vicious circle of financial dependency for Indian women. There is also a paradox of entrepreneurial skills, which means the rich and poor biasness has also impacted their business. Rich having resources but lacking in entrepreneurial skills outsources the activities but on the other hand the poor and a deprived women having an entrepreneurial skill but lacks in financial assistance. Hence creating another reason for negatively impacting the women empowerment. (**Kumbhar, V. M. (2013)**).

It is said that **“The Hand that Rocks the Cradle, Rules the World”** and for the growth of the nation this fact is to be believed worldwide, in order to bring in a drastic and a positive change in the graph of women empowerment there is a need for change in the mindset of people in the society and their traditional attitude towards work. Hence it is crucial to

design programme that will address to attitudinal change and training programmes is to be run in backward regions of the country where women are less educated so that they can come up with new ideas and become more skilful to run a business. (Mahajan, S. (2013)). As the percentage of women in comparison to men is around 48.7% of the total population, without their involvement in entrepreneurial activities, economic growth cannot happen. Women entrepreneurs are required to be made more competent through training and technological know-how so that they have the potential to beat the trend and do extraordinary in their businesses. If every citizen starts understanding the potential and the important position occupied by women then soon one can predetermine our chance of out beating our conservative and firm thought which is a hurdle in our country's development process. (Naithani, A., Pathak, A., & Naithani, R. (2018).

The Indian government is promoting women entrepreneurship by bringing in many policies and have brought in many schemes like Pradhan Mantri Mudra Yojana, Mahila Shakti Kendra, creation of Self-help groups to help rural women become financially independent, aware of health issues and information about their legal rights. Stand up India for women and Dalits is a scheme launched by the Government of India where banks have to provide loans to at least one woman. To enable women to sell their products without any fees, "Mahila-E-Haat" has been launched by the government. There are some other schemes like STEP, NSAP, Swarna Jayanti Gram Swarozgar Yojana, women in agriculture schemes, women component plant, guarantee schemes, Rastriya Mahila Kosh etc. In order to support other women, there have been many associations which have been formed by women. Women also formed certain associations in order to support other women like Mahila Bunker Sahakari Samiti, SABL, ACWW, Shri Mahila Griha Udyog Lijjat Papad etc. The support of government has helped in increasing the number of women entrepreneurs in India but the pandemic has left no chance in adversely affecting the businesses. Women entrepreneurs were found engaged in most of the hard-hit sector and were more vulnerable and less equipped to face the adverse effect of financial crisis. It is more difficult for women entrepreneurs to start and grow their business in emerging economics.

Due to the fact that they live primarily in rural communities with limited access to loans, women in developing nations have little access to funds (Starcher, 1996; UNIDO, 1995a). For Indian women to make it into the mainstream of equality and parity, they have to overcome the resistance of traditions, culture, and norms deeply ingrained in the Indian society and culture, where the sociological system is clearly dominated by men (Bulsara (2014)). Furthermore, women entrepreneurs have made notable strides toward gender equality. With the increasing interest of the government in women's entrepreneurship, this is a ripe opportunity for women. Among the challenges that girls and women face, there are the dual role of women where business and family responsibilities overlap, illiteracy among rural women, less risk-bearing capacity, lack of information and assistance, lack of training and development etc. (P. Jaya Kumar and J. Kannan (2014)). According to study (Emine Yilmaz et.al 2012) majority of women engaged in entrepreneurship, are from young and middle-aged group. Therefore, the women may have the potential to become entrepreneurs only in the range of middle-aged groups. The capital and experience which are necessary for the realization of the entrepreneurial action can only be provided at this age group.

The increasing role of women as an entrepreneur has changed the demographic features of the business and the overall growth scenario of the country. "Yatra Nari Astu Pujante, Ramante Tatra Devataa" one of the verses from Manu Smriti which means God resides in places where women are worshipped need to be made true in every aspect and more changes are required to be made to uplift the women in the society and demographics barriers is to be removed to provide them equal opportunity in every aspects. (Rani, S., Chinmayi, Y., & Arun, M. (2020).

### Methodology

Various studies related to women entrepreneurs were taken into consideration. Also the effect of various social, political, financial and other demographic factors were studied. After studying the demographic factors it was realized that these factors also act as an impediment in their growth which could have been observed in other regions of India. Keeping this in mind a questionnaire was designed and apart from data collection through structured method of questionnaire, thematic approach was also used wherever necessary in order to understand the issues and factors acting as impediment in the running as well as starting of new micro business by the women entrepreneurs of various age groups from different rural regions of Uttarakhand.

An appropriate research design allowed a study to be conducted in which a statistically significant sample of a population was used to estimate the relationship between an outcome of interest and population variables as they existed at the time. The outcome, that is the sociocultural factors, as well as the variables, including demographic factors, were both measured at one time.



Source : Wikipedia ([https://en.wikipedia.org/wiki/List\\_of\\_districts\\_of\\_Uttarakhand](https://en.wikipedia.org/wiki/List_of_districts_of_Uttarakhand))

### Objectives:

The present study aims at fulfilling following underlined objectives:

- 1) To Understand various demographic and social factors effecting the growth of women entrepreneurs.
- 2) Understanding the relationship between demographic factors and entrepreneurship.

### Data Collection

For the collection of data the entire region of Uttarakhand was divided into two major parts: Garhwal and Kumaon region. It is to be understood that even though all the 13 different districts come under Uttarakhand state but they still observe wide difference in climatic and various demographical factors. Even the presence of linguistic difference at times act as a barrier.

If the climatic conditions are taken into consideration then the states belonging to upper regions of Uttarakhand face severe harsh weather conditions as compared to district regions which are low lying like Almora, Nainital, Champawat, Udham Singh Nagar and Haridwar regions.

In this research the rural areas are the main focus of study where the data was collected from the women Entrepreneurs through interview method, both structured and unstructured format depending upon their easability of information in the given region.

### Questionnaire Designing

Since very limited data was available for the study so keeping all the social and other demographic impediments a questionnaire was designed where the following areas were covered for the data collection:

- Personal information ( standard demographic factors including education and exposure to nearby areas)
- Type of Business along with duration

- Any benefit from the already running schemes of the Government or SHG (Loan/Formal training/any other help etc.)
- Total earning from the business and issues related to the sustainability of business
- Factors acting as impediment for the smooth running of their micro-business
- Areas of improvement and suggestions from the end of respondent

Once the questionnaire was designed a reliability and validity test was performed where the test-retest method of reliability was used and for internal consistency reliability the most widely used tool Cronbach's alpha was used where the value came out to be 0.72. Also for the questionnaire to be valid based on the existing and relevant knowledge construct validity and content validity were kept in mind and for concrete measurement of the situation criterion validity was taken into consideration where the correlation between the results of our measurements and the results of criterion measurements were found to be 0.823 which is a high correlation and gives a good indication of what our test intends to measure.

### Sampling Process

Since the process is ongoing but an attempt has been made to cover the rural regions of all the districts and especially all the different types of women involved in various types of business. Since each venture has its own set of complications it is necessary to understand the difficulty of women entrepreneurs involved in each sector.

Up till now the data has been collected from women involved in:

- Homestay business,
- Small Scale Industry involved in packaging and sending fruits, pulses and spices to other states and distributors.
- Poultry business
- Core Agriculture Activity
- Small shops and eateries
- Small businesss like hair saloon, tailoring, fmcg shops etc

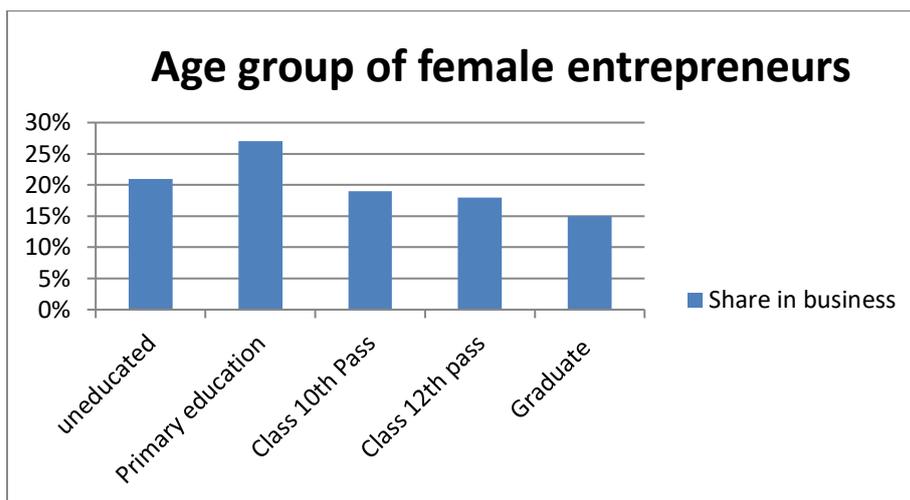
### Result and Discussion

The filed investigator collected the data to enable the development of demographic characteristics of women belonging to Uttarakhand region. Following demographic measures were taken into consideration:

- 1) Age
- 2) Education
- 3) Weather conditions
- 4) Accessibility to nearest town

Age is generally considered to have an association with an individual's responsibility in life. General categorization which has been followed is children between the ages 0 and 18, 18-30 years of age, 30-45 years of age, 45-60 years of age and 60 years and above.

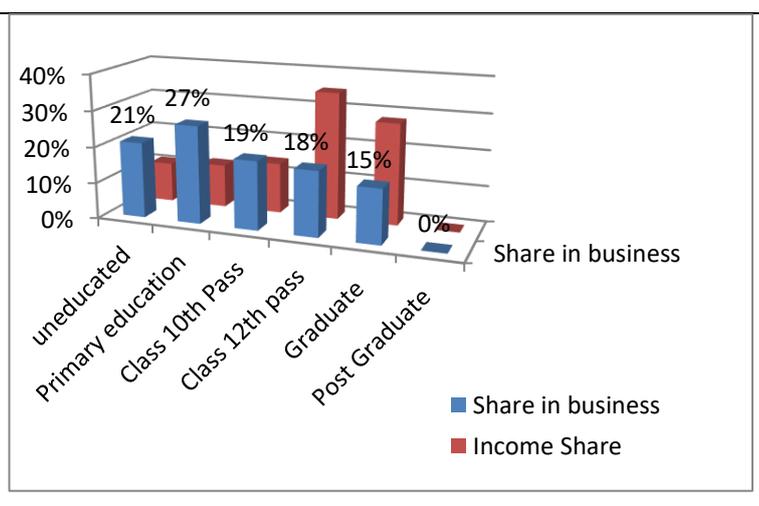
Sr. No	Age Group	Percentage
1	0-18 yrs	7%
2	18-30 yrs	32%
3	30-45 yrs	28%
4	45-60 yrs	21%
5	60 yrs and above	12%



It was also observed that the participation of women below the age of 18 was only because either they took over the already running venture from their parents especially mother or they came in the joint venture with either of their parent or sibling. Moreover the women who belong to the age of 60 years and above generally participated less in the work and accepted more of a managerial role as they passed on their responsibility to the other person in their ladies. In the data collected this responsibility was generally passed to either daughter-in-law or to the daughter of the house.

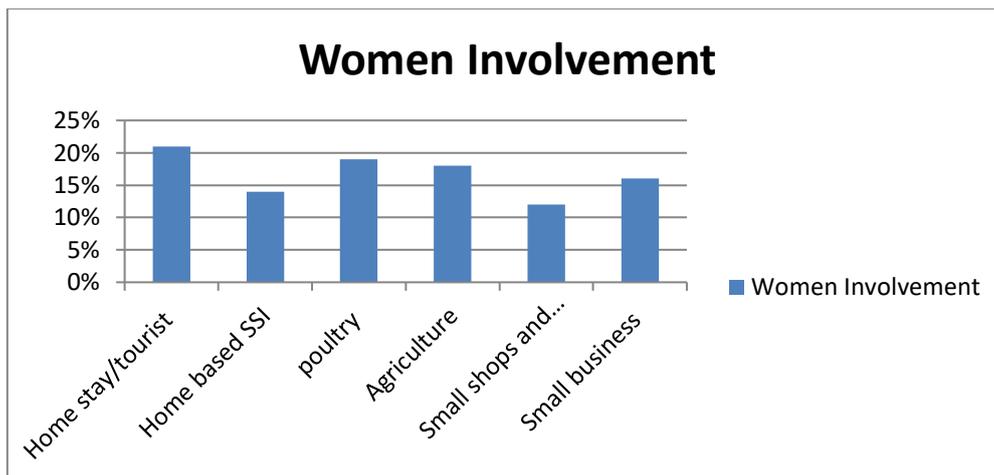
Since Uttarakhand is a region where women lead the house so most of the business decisions lie over them. For the younger female entrepreneurs who were aged between 18 to 25 years, most of them had either completed primary level of education or secondary level or had attended and completed formal education at tertiary level. These young women entrepreneurs had ventured into business immediately after completing secondary and/or college education when they found that there were no employment opportunities, hence started their businesses in order to survive. Majority of the young women entrepreneurs also indicated that they were also pushed into business in order to meet their basic needs.

S.No	Education	Share in business	Income Share
1	uneducated	21%	11%
2	Primary education	27%	12%
3	Class 10th Pass	19%	14%
4	Class 12th pass	18%	35%
5	Graduate	15%	28%
6	Post Graduate	0%	0%

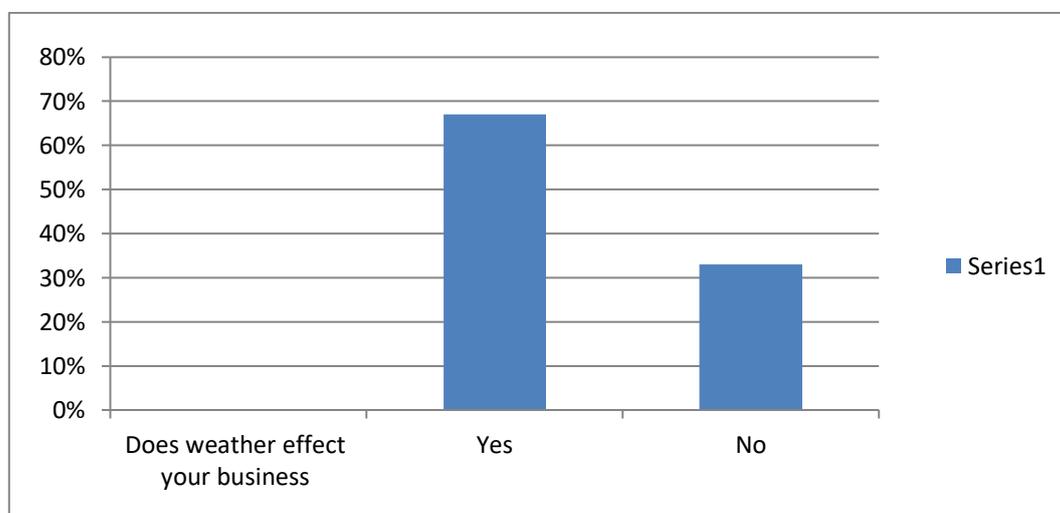


From the above data it could be observed that the level of education it can be understood that females who have never had the chance of formal education are also in formal running of small scale micro-business in these areas.

Also by the comparison of the data it could be inferred that females who had little exposure of education performed well in their respective business field and served better. Both education and Income contribution are directly proportional to each other. i.e. higher the education better would be the capability to earn more although this condition does not stand valid in case where female had a formal education till post graduate as none of the person with this level of education was found involved in the business.



As per the involvement of women entrepreneurs in the business it could be understood that a mixed data was collected where it could be seen that each sector had almost similar percentage of women involvement in the business. Although it is to be noted that women involved in the homestay business earned more as compared to the other business formats as amid COVID conditions many people shifted to hilly regions for the purpose of seclusion and work from home facility



Weather has played an important role in effecting these small scale business houses as most of these business were affected by the weather. Almost 65% of the business households were affected by the business while 33% were either mildly or had no effect of weather over business. After a rigorous in-depth study it was revealed that apart from few homestays which were in lesser harsh weather conditions and were in the area where nearest town distance was not more than 30 km they faced least problems as were running in their full capacity. These included the homestays which were in the district area of Nainital, Almora, Champawat, Pauri Garhwal-with a special mention to the region of Lansdowne which had the maximum number of homestays of complete Uttarakhand.

While as compared to other businesses, women involved in agriculture had least efficient days in winter while people involved in poultry experienced the same as most of the poultry do not get fresh eateries outside and some of them even die during extreme winters. In case of woment working as entrepreneurs in the area of Small scale business like salon, small shops etc experienced a lower footfall because as the winters approach the lifestyle of people changes and most of them even move to plains area in order to save themselves from harsher weather conditions.

### **Economic Disruption and Income Insecurity**

The sudden imposition of a nationwide lockdown in 2020 resulted in an abrupt contraction of economic activity at both the national and regional levels. For rural women entrepreneurs, the immediate impact was the collapse of demand, interruption of supply chains, and a sharp decline in cash flow. Many respondents reported that business losses were initially managed through the use of personal savings accumulated from previous years of operation. However, prolonged restrictions depleted these reserves, leading to increased household financial stress and reduced consumption expenditure. This decline in purchasing power further affected local rural markets, creating a cyclical slowdown within village economies.

### **Sector-Specific Impact on Women-Owned Enterprises**

Uttarakhand's rural economy is predominantly dependent on tourism, pilgrimage, and hospitality services. During the first phase of the lockdown (2020), women entrepreneurs engaged in homestays, small eateries, retail shops, and adventure tourism services were among the worst affected. Approximately 85% of women operating homestays experienced mass cancellations of bookings, while eateries and tourism services reported near-zero footfall. These findings reflect the vulnerability of service-oriented rural enterprises to external shocks and seasonal dependencies.

Women involved in semi-industrial and home-based production units—such as bamboo and jute crafts, woollen garments, and other handmade products—reported an estimated 65% decline in business activity. The primary factors contributing to this decline included the closure of physical marketplaces, transportation restrictions, and the absence of institutional marketing support. These observations reinforce existing literature that highlights market access as a critical constraint for women-led micro-enterprises in rural India.

### **Differential Recovery During the Second Phase of COVID-19**

The second phase of the pandemic in 2021 presented a comparatively moderated impact. The easing of mobility restrictions and the reverse migration of urban populations to rural areas led to a partial revival of certain sectors. Rural homestays, agriculture-linked enterprises, dairy farming, and local food production observed gradual improvement between September 2020 and early 2021. This shift reflects changing consumer preferences toward rural spaces perceived as safer, less crowded, and conducive to work-from-home arrangements.

However, recovery remained uneven. Women engaged in poultry farming and small trading activities reported income declines of approximately 45–49%, largely due to restricted access to markets beyond their immediate localities. This uneven recovery underscores structural limitations related to market integration, logistics, and digital access among rural women entrepreneurs.

### **Livelihood Reconfiguration and Policy Intervention**

A significant outcome of the pandemic was the reverse migration of populations to rural areas, leading to the reactivation of previously abandoned or “ghost” villages. While this demographic shift increased labor availability, it also intensified livelihood pressures and competition for limited economic resources. In this context, government interventions played a pivotal role in facilitating livelihood reconstruction.

The Mukhyamantri Swarojgar Yojana (MSY) emerged as a critical support mechanism, particularly for women entrepreneurs. With nearly 70% women beneficiaries, the scheme contributed to self-employment generation, financial inclusion, and entrepreneurial revival under the Atma Nirbhar Bharat framework. Respondents highlighted access to credit, training support, and institutional facilitation as key enablers for restarting or diversifying businesses.

### **Persistent Structural Barriers**

Despite policy support, the study identifies enduring challenges faced by women entrepreneurs, including limited access to finance, lack of market information, low digital literacy, socio-cultural constraints, and unequal domestic responsibilities. These barriers continue to restrict scalability and long-term sustainability. The findings align with broader national studies that emphasize the need for gender-responsive entrepreneurship policies, targeted capacity-building programs, and inclusive market ecosystems.

Overall, the results demonstrate that while rural women entrepreneurs in Uttarakhand displayed resilience and adaptability during the pandemic, sustained institutional support and structural reforms are essential to convert short-term recovery into long-term economic empowerment.

## CONCLUSION

The study reveals that women's entry into entrepreneurship in rural Uttarakhand is predominantly driven by economic necessity rather than opportunity-based motivations. The findings indicate that nearly 80% of the women entrepreneurs sampled entered business activities primarily to supplement household income and support family livelihoods. A substantial proportion of these women were married with children, while unmarried women reported entrepreneurship as a means to support aging parents. Additionally, a smaller yet significant group comprised widowed or separated women who relied on entrepreneurship as their primary source of income to sustain themselves and their children.

These findings reinforce the characterization of women's entrepreneurship in developing economies as largely necessity-driven, where business ownership functions as a survival strategy rather than a pathway for innovation or expansion. Married women, in particular, viewed entrepreneurship as a mechanism to complement their spouses' earnings and improve household living standards. However, the dual burden of productive and reproductive responsibilities emerged as a critical constraint on business performance. Many respondents reported that caregiving duties and domestic expectations limited the time, energy, and resources they could devote to entrepreneurial activities, thereby restricting business growth and scalability.

The study further highlights the persistence of deeply entrenched gender roles, wherein women continue to be socially positioned as primary caregivers and household managers. As noted by McElwee and Al-Riyami (2003), women's economic participation in developing countries remains constrained by traditional expectations surrounding motherhood and domestic labor. These socio-cultural norms were found to intensify during crisis periods such as the COVID-19 pandemic, amplifying the challenges faced by women entrepreneurs.

Moreover, gender stereotypes continue to pose significant barriers, particularly for women operating in sectors traditionally dominated by men. Consistent with the findings of Still and Timms (2000a, 2000b), perceptions regarding women's limited business capabilities undermine their confidence, access to networks, and growth opportunities. Overall, the study underscores that while rural women demonstrate resilience and agency through entrepreneurship, sustained progress requires structural interventions that address gendered labor divisions, social norms, and institutional constraints alongside economic support mechanisms.

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