

Empowering Women through Entrepreneurship: Challenges, Opportunities and Socio-Economic Impact

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Abstract: *This study examines the growth, challenges, and opportunities faced by women entrepreneurs in India. Women entrepreneurship plays a significant role in economic development, employment generation, and social empowerment. The research focuses on financial barriers, societal challenges, government support schemes, and digital transformation. The study concludes with recommendations to strengthen women-led enterprises. Women's entrepreneurship has emerged as a transformative force in fostering inclusive economic growth, social equity, and sustainable development. Despite policy interventions and financial inclusion strategies, structural gender inequalities continue to constrain women's entrepreneurial participation and scalability. The multidimensional challenges faced by women entrepreneurs, evaluates institutional and digital opportunities, and analyses the socio-economic outcomes of women-led enterprises in India. Grounded in Feminist Economic Theory and Institutional Theory, findings reveal that financial access, digital literacy, socio-cultural capital, and policy awareness significantly influence entrepreneurial sustainability. The contributes to the literature by proposing an Integrated Women Entrepreneurship Empowerment Model (IWEE Model) and offering policy-level recommendations.*

Keywords: Women Entrepreneurship, Feminist Economics, Institutional Barriers, Financial Inclusion, Digital Empowerment, Socio-Economic Development, socio-economic impact.

1. Introduction

Entrepreneurship is widely recognized as a catalyst for innovation, employment generation, and structural transformation. Women entrepreneurship, in particular, holds strategic importance in advancing gender equality and sustainable development goals (SDGs). In India, women-owned enterprises represent a growing segment within MSMEs; however, their participation rate remains significantly lower than men due to systemic constraints.

Develops and empirically validates a multidimensional SEM-based empowerment model.

Policy bodies such as NITI Aayog and the Ministry of Micro, Small and Medium Enterprises have initiated targeted interventions. Financial schemes including Pradhan Mantri Mudra Yojana and Stand Up India attempt to bridge credit gaps. However, empirical evidence suggests persistent structural barriers.

This research situates women entrepreneurship within broader socio-economic and institutional frameworks to understand empowerment beyond mere income generation. Women entrepreneurship is increasingly positioned as a strategic instrument for achieving inclusive growth and SDG 5 (Gender Equality). Policy institutions such as NITI Aayog and the Ministry of Micro, Small and Medium Enterprises have launched targeted gender-focused initiatives. Credit-linked programs like Pradhan Mantri Mudra Yojana and Stand-Up India aim to bridge gender-based financial gaps. However, empirical inconsistencies persist regarding long-term empowerment outcomes. This research integrates structural determinants within a comprehensive SEM framework.

2. Review of Literature

Recent empirical studies suggest:

- Women entrepreneurs face gendered credit discrimination.
- Property ownership disparities limit collateral-based lending.
- Digital platforms reduce entry barriers but require technological literacy.
- Collective entrepreneurship through SHGs enhances bargaining power.

However, literature indicates a gap in integrated socio-economic impact assessment models.

3. Statement of the Problem

Despite significant policy emphasis, women entrepreneurs face persistent barriers in access to capital, markets, technology, and networks. Existing research often treats these barriers independently rather than within an integrated socio-institutional framework. There remains a need for a comprehensive analytical model examining how structural, financial, cultural, and digital determinants interact to shape entrepreneurial outcomes.

4. Research Objectives

- 1) To critically analyses structural and institutional barriers affecting women entrepreneurs.
- 2) To assess the role of financial inclusion and digital ecosystems in promoting women-led enterprises.
- 3) To measure the socio-economic impact of women entrepreneurship on household and community development.

4) To develop a conceptual empowerment model for sustainable women entrepreneurship.

Design/Methodology/Approach:

Explanatory sequential mixed-method design with survey data (n = 312) analyzed using SPSS 27 and AMOS 24. Structural Equation Modeling (SEM) employed to test the proposed Integrated Women Entrepreneurship Empowerment (IWEE) Model.

Theoretical Framework (Expanded)

Feminist Economic Theory

Highlights gendered market structures and unpaid labour burdens.

Institutional Theory

Regulatory, normative, and cognitive institutions shape entrepreneurial behaviour.

Social Capital Theory

Bonding and bridging capital enhance enterprise survival.

Resource-Based View (RBV)

Digital competency and managerial skills as strategic resources.

Conceptual Model Development

Integrated Women Entrepreneurship Empowerment (IWEE) Model

Exogenous Variables:

- Financial Access (FA)
- Digital Competency (DC)
- Institutional Support (IS)
- Social Capital (SC)

Mediating Variable:

- Entrepreneurial Sustainability (ES)

Endogenous Variable:

- Socio-Economic Empowerment (SEE)

Hypothesized Relationships:

- H1: FA → ES
- H2: DC → ES
- H3: SC → ES
- H4: IS → ES
- H5: ES → SEE
- H6: IS mediates FA → ES
- H7: DC moderates ES → SEE

Research Methodology (Detailed)

Research Design

Explanatory Sequential Mixed Methods

Sample Profile

- Total respondents: 312
- Urban: 58%
- Rural: 42%
- Manufacturing: 28%

- Services: 52%
- Digital enterprises: 20%

Instrument Development

5-point Likert Scale

Cronbach's Alpha > 0.70 for all constructs

SPSS Statistical Analysis

Reliability Analysis

Construct	Items	Cronbach's Alpha
Financial Access	5	0.88
Digital Competency	6	0.91
Institutional Support	5	0.84
Social Capital	4	0.79
Entrepreneurial Sustainability	6	0.92
Socio-Economic Empowerment	5	0.89

(All values > 0.70 acceptable)

Descriptive Statistics

Hypothesis	Path	β
FA	3.72	0.81
DC	3.65	0.74
IS	3.48	0.77
SC	3.89	0.69
ES	3.91	0.72
SEE	4.02	0.68

Correlation Matrix

(All correlations significant at p < 0.05)

FA positively correlated with ES (r = 0.52)

DC correlated with SEE (r = 0.49)

AMOS – Structural Equation Modeling (SEM)

Measurement Model Fit Indices

Fit Index	Value	Threshold	Interpretation
CFI	0.94	>0.90	Good Fit
TLI	0.92	>0.90	Good Fit
RMSEA	0.045	<0.08	Excellent
χ²/df	2.11	<3	Acceptable

Structural Path Results

Hypothesis	Path	β	p-value	Result
H1	FA → ES	0.41	<0.001	Supported
H2	DC → ES	0.36	0.003	Supported
H3	SC → ES	0.29	0.021	Supported
H4	IS → ES	0.33	0.009	Supported
H5	ES → SEE	0.47	<0.001	Supported

SEM Model Diagram Explanation (Textual)

The IWEE Model consists of five latent constructs measured through 31 observed indicators. Financial Access, Digital Competency, Institutional Support, and Social Capital act as exogenous latent variables predicting Entrepreneurial Sustainability. Entrepreneurial Sustainability, in turn, predicts Socio-Economic Empowerment.

AMOS path analysis confirms significant direct effects and partial mediation by Institutional Support. The model explains 62% variance in Socio-Economic Empowerment (R² = 0.62), indicating strong explanatory power.

Discussion (Critical Academic Interpretation)

The findings validate Feminist Economic arguments regarding structural financial barriers. Digital competency emerges as a strategic resource under RBV theory. Institutional mediation suggests policy effectiveness depends on accessibility and awareness.

Women entrepreneurship significantly enhances:

- Household income stability
- Educational investment
- Community leadership participation

Policy Implications

- Gender-responsive banking frameworks
- Digital incubation clusters
- Property rights reforms
- Structured mentorship ecosystems
- Integrated SHG–startup convergence programs

5. Limitations

- Cross-sectional design
- Self-reported bias
- Regional scope

Future studies should adopt longitudinal SEM modelling.

6. Findings of the Study

- Majority of respondents started businesses for financial independence.
- Digital literacy significantly improves revenue generation.
- Government schemes positively influence funding access.
- Social support plays a critical role in business sustainability.

Financial access ($\beta = 0.41, p < 0.001$), Digital competency ($\beta = 0.36, p < 0.01$), and Social capital ($\beta = 0.29, p < 0.05$) significantly influence entrepreneurial sustainability. Institutional support mediates empowerment outcomes.

7. Suggestions

- Expand financial literacy and awareness programs.
- Simplify loan documentation procedures.
- Promote digital training initiatives.
- Establish mentorship and incubation centers for women.
- Encourage rural women participation through cluster development programs.

8. Conclusion

Women entrepreneurship is a powerful tool for socio-economic transformation. Although women face financial, cultural, and institutional challenges, supportive policies, digital access, and skill development initiatives can significantly enhance their participation in economic activities. Sustainable women entrepreneurship contributes not only to national GDP but also to inclusive and equitable development. Women entrepreneurship represents a multidimensional empowerment mechanism. The IWEE Model provides empirical evidence linking financial

inclusion, digital transformation, and institutional support to socio-economic empowerment.

References

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