

# STATE OF THE NATION

## RURAL WOMEN ENTREPRENEURSHIP





Founded in 2008, the Environment Conservation Society (ECS), also known as SwitchON Foundation, is a nonprofit organization dedicated to fostering equitable and sustainable development in India. Our vision is to build a sustainable and equitable India, focusing on Clean Energy, Clean Air, Sustainable Mobility, Climate Smart Agriculture, Conservation and Integrated Management of Natural Resources, Just Transition, Skilling, and Sustainable Cities. Our mission is to promote sustainable livelihoods and address environmental challenges through innovative business models and technologies, aiming to create opportunities for 10 million people at the bottom of the pyramid by 2030.

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# Executive Summary

Rural women's entrepreneurship (RWE) is a cornerstone of economic development and self-reliance in rural areas. This type of entrepreneurship harnesses local resources, providing viable economic alternatives that reduce migration and enhance the distribution of farm produce. It tackles socio-cultural barriers and fosters economic growth. However, despite its potential, rural women entrepreneurs face significant challenges, including limited education, financial constraints, competition, and motivational issues.

Government schemes and policy support, such as the Pradhan Mantri Mudra Yojana and Mahila Coir Yojana, aim to address these barriers and empower women. These programs offer financial support, training, and resources to help women overcome obstacles and thrive in their entrepreneurial endeavors.

SwitchON Foundation's initiatives, including Udyamini and Women on Wings, play a critical role in supporting rural women. By providing essential skills, resources, and market linkages, these programs help women enhance their economic status and contribute to community development.

**Economic Impact and Empowerment:** Rural women's entrepreneurship is crucial for economic development in rural areas, offering employment and fostering self-reliance through local agricultural resources. It supports the '6M' system—Money, Material, Manpower, Machinery, Management, and Market—empowering women to make significant economic contributions.

**Challenges Faced:** Rural women entrepreneurs encounter several challenges, including limited education, difficulty accessing financial support, intense market competition, and low motivation. These obstacles can hinder their ability to manage and grow their businesses effectively.

**Government and Policy Support:** Government schemes such as Pradhan Mantri Mudra Yojana, Mahila Coir Yojana, and the Stree Shakti Package provide essential financial support, training, and equipment to bolster rural women's entrepreneurial activities. These initiatives help overcome financial barriers, promote self-employment, and improve access to credit.

**SwitchON Foundation's Role:** Programs like Udyamini and Women on Wings by SwitchON Foundation are instrumental in empowering rural women entrepreneurs. By offering comprehensive training, financial resources, and market linkages, these initiatives help women surmount challenges, significantly boost their income, and contribute to community development.



**Challenges Faced:** Rural women entrepreneurs encounter several challenges, including limited education, difficulty accessing financial support, challenges in Expanding Market Reach, and family duties prioritization. These obstacles can hinder their ability to manage and grow their businesses effectively.

**SwitchON Foundation's Role:** Programs like Udyamini and FPC projects by SwitchON Foundation are instrumental in empowering rural women entrepreneurs. By offering comprehensive training, financial resources, and market linkages, these initiatives help women surmount challenges, significantly boost their income, and contribute to community development.



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# INTRODUCTION

## Importance of RWE:

Rural women's entrepreneurship is a powerful driver for economic development and self-reliance in rural areas. According to J.A. Schumpeter, **"Any woman who builds, adopts, or reproduces a business industry is a woman entrepreneur."** This definition underscores the significant role women play in shaping rural economies. Rural women entrepreneurship involves women starting businesses in rural areas using local agricultural resources to generate employment. This approach optimizes local resources, improves farm produce distribution, reduces discrimination, and provides alternatives to rural migration. It effectively activates the '6M' system—Money, Material, Manpower, Machinery, Management, and Market—within rural communities.

According to the Government of India, "Any business or industry started in rural area, village or town with peoples of 20,000 and below and an investment of Rs.3 crore in any plant and machinery is classified as a village industry". In rural areas it tackles social and cultural barriers, using agriculture-based businesses to uplift communities and enhance the standard of living.

## Key statistics and trends of RWE:

At this time, the country's economic growth also depends on the participation rates of working rural women. An International Labor Organization study shows a positive correlation between increasing the labor force participation of women and a rise in GDP. The sixth economic census, released by the Ministry of Statistics and Program Implementation, reveals a concerning picture of the status of women entrepreneurs in India.

- The study shows that women comprise only **13.76% of the total entrepreneurs**, i.e., 8.05 million out of the 58.5 million entrepreneurs.
- Businesses owned by women provide employment to **13.45 million people**, with 2.76 million women (34.3%) working in agriculture and 5.29 million women (65.7%) in non-agricultural sectors.
- Tamil Nadu has the highest proportion of women-owned establishments at **13.51%**, followed by Kerala (**11.35%**), Andhra Pradesh (**10.56%**), West Bengal (**10.33%**), and Maharashtra (**8.25%**).

These statistics clearly indicate that women are emerging as active contributors to the nation's economic growth





## CHALLENGES FOR RURAL ENTREPRENEURSHIP

- **Lack of Education:** Despite being in the 21st century, rural women in India often face limited education, poverty, early marriage, and low socio-economic status. Within this situation, women face issues in understanding new technologies, innovations, and government support, impeding their entrepreneurial success.
- **Problem of Funds:** Women entrepreneurs face significant challenges in securing financial support due to perceived lower creditworthiness and gender biases. Issues include difficulties with obtaining loans, managing raw materials, and delayed payments from customers.



- **Tough Competition:** Women entrepreneurs often struggle with outdated technology and intense market competition. They must compete against more experienced male counterparts and established organized sectors. Slow adoption of new technologies contributes to high production costs, posing a significant challenge for women entrepreneurs.
- **Lack of Motivation:** Women entrepreneurs sometimes lack the confidence needed for successful business management, impacting their motivation and enterprise administration. Navigating legal requirements, including corrupt practices and procedural delays for licenses and utilities, can distract women entrepreneurs from effectively running their businesses.

- **Challenges in Expanding Market Reach:** Many women are confined to selling their products in local markets with limited demand and lower prices, preventing them from accessing larger, more competitive urban or national markets where they could fetch better prices. Rural women entrepreneurs often struggle with inadequate infrastructure such as poor transportation, and lack of digital access, making it difficult for them to reach broader or more profitable markets.
- **Navigating the Dual Role:** Traditional gender roles often pressure rural women to prioritize family duties like household chores, childcare, and caregiving, leaving limited time for their businesses, which hinders growth and expansion.



## GOVERNMENT AND POLICY SUPPORT

### Central Government schemes:

#### Pradhan Mantri Mudra Yojana

The Pradhan Mantri Mudra Yojana (PMMY) offers loans up to ₹10 lakhs to non-corporate, non-farm micro and small enterprises, including those run by rural women. Loans are available under three categories: Shishu (up to ₹50,000), Kishor (₹50,000 to ₹5 lakhs), and Tarun (₹5 to 10 lakhs), catering to the varying needs of women entrepreneurs. With categories for different loan amounts and collateral-free options, it supports rural women in starting or expanding businesses. The scheme promotes financial inclusion by integrating women into the formal financial system, with women constituting 70% of borrowers. It empowers rural women to enhance their financial independence, social status, and family income.

#### Mahila Coir Yojana

The Mahila Coir Yojana (MCY), part of the Coir Vikas Yojana and managed by the Coir Board, aims to enhance self-employment for rural women artisans in the coir industry. The scheme offers a one-time subsidy covering 75% of the cost for motorized spinning equipment, with a maximum subsidy of ₹7,500 for motorized ratts and ₹3,200 for traditional and electronic ratts. Women artisans receive two months of training with a monthly stipend of ₹1,000. Implemented in coir-producing states, the MCY improves productivity and income levels, helping women become economically independent and strengthening rural communities.

### West Bengal Government schemes:

#### Swabalamban (NORAD)

The Swabalamban (NORAD) scheme in West Bengal focuses on empowering women through vocational training, aiming to enhance their skills and economic independence. It offers various training programs tailored to different sectors, managed by the Women Development Undertaking in collaboration with NGOs. Targeting economically disadvantaged women, the scheme provides practical skills for employment or self-employment. By improving employability and supporting income-generating activities, the Swabalamban scheme contributes to women's economic empowerment and enhances their standard of living.



## Meghalaya Government schemes:

### PRIME program

The PRIME (Promotion and Incubation of Market-driven Enterprises) program by the Government of Meghalaya aims to boost small businesses and support emerging entrepreneurs, particularly women and rural youth. It offers easy access to credit through the Meghalaya Any Business Venture Scheme and provides incubation and mentoring at PRIME Startup Hubs in Shillong and Tura. The annual Chief Minister's E-Champion Challenge selects top startups for further support. Additionally, PRIME facilitates skill development and connects entrepreneurs with financial resources, including venture capital and bank loans. Overall, PRIME fosters a robust business ecosystem in Meghalaya.

## Maharashtra Government schemes:

### Stree Shakti Package

The Stree Shakti Package by the Government of Maharashtra facilitated through the State Bank of India (SBI), supports women entrepreneurs by providing collateral-free loans up to ₹25 lakhs. It is designed to promote self-reliance and encourage women across various sectors, including retail, manufacturing, and services. Loans range from ₹50,000 to ₹2 lakhs for retail traders and business enterprises, and up to ₹25 lakhs for professionals and Small Scale Industries (SSI). The scheme offers competitive interest rates and flexible loan options to meet diverse business needs. Overall, it significantly contributes to empowering women and boosting economic development in Maharashtra.





## WOMEN CAPACITY BUILDING INITIATIVES BY SWITCHON FOUNDATION

SwitchON Foundation is committed to advancing the socio-economic status of marginalized communities, focusing on empowering women. Through a strategic gender lens, SwitchON ensures effective project implementation to accelerate progress. Comprehensive training in groundwater and participatory watershed management is provided through women-led initiatives. The foundation also works on integrating women into renewable energy ecosystems and promoting sustainable practices. Notably, the 'Urjamitra Training Programme' is dedicated to skilling women in operating and maintaining installed solar pumps.

### Enhancing Female Workforce Participation Through Entrepreneurial Support

Under the **Udyamini program**, the SwitchON Foundation targets the empowerment of rural women entrepreneurs in West Bengal. This initiative is designed to enhance female labor force participation by supporting women in establishing and growing their businesses. The program focuses on **strategic value chains** such as **agriculture, silk, and handloom**. It includes comprehensive planning and assessments to address challenges like resource scarcity, market access, and poverty. By promoting sustainable practices and reviving traditional crafts, Udyamini seeks to foster an entrepreneurial mindset among women, helping them realize their potential and create positive impacts within their communities.

In Maharashtra, the SwitchON Foundation's initiatives are aligned with **FPC projects** to empower rural women entrepreneurs across diverse **agri-value chains, including agriculture, spices, and millets**. The training program emphasizes **business acumen, market connections, and access to credit facilities**, supported by incubation and mentoring. It also integrates Distributed Renewable Energy (DRE) technologies, such as solar dryers, solar water pumps, and solarised agri business units, to improve efficiency and sustainability throughout the value chains.



## CASE STORIES OF SWITCHON

### Chhabita Pramanik The Ujjivita Nari of Sonamukhi

Chhabita Pramanik, a woman from Sonamukhi, West Bengal, is leading a transformative movement in her community. At 60, Chhabita has become an inspiration for her village and nearby areas, proving that impactful change often comes from the ground up. Her journey began with the introduction of Self-Help Groups (SHGs) in her village. Despite facing significant backlash from a patriarchal society, Chhabita's determination never wavered. She embarked on a door-to-door campaign, educating and mobilizing women to form these groups.

Her efforts did not stop at merely establishing SHGs. With crucial support and capacity building from the SwitchON Foundation, Chhabita advanced these groups into Producer Groups (PGs) and integrated them into the Integrated Farming Clusters (IFCs). Her work earned her recognition from Prime Minister Narendra Modi in 2013, and she went on to serve as a Senior Community Resource Person under the IFC Program of WBSRLM, Government of West Bengal.

Chhabita Pramanik has showcased remarkable self-reliance by leveraging loans from her Group to launch **multiple ventures**. She began with vermicomposting, producing **1,900 kg of compost** annually, earning **₹19,000**. She then expanded into **aquaculture**, selling fish fingerlings for **₹22,000** in just two months and plans to grow this business further. Additionally, Chhabita engages in **organic farming**, earning **₹4,000 to ₹5,000 monthly** from seasonal vegetables.

Today, Chhabita leads over **10 Producer Groups, including 400 women members** across various sectors including groundnut processing, rice, spices, and millets. She is the president of Rangamati Akashchoya Producer group which is engaged in processing of groundnut and spices. The group sells groundnut, ground oil and mustard oil earning around 4 to 5K per month. The group also additionally earns by renting out groundnut oil extraction machine, oil filter machine and sheller machine for groundnuts. Her tireless work has empowered countless women in her block, enabling them to realize their dreams and achieve substantial economic and personal growth.





## Soma Senapati Leaves to Livelihoods

"Disability doesn't always need to be a barrier. It can also be a propeller for change," said Soma Senapati. Despite being affected by polio, Soma refused to let her disability define her limitations. Instead, she turned it into a driving force for change, both for herself and the women in her community. Soma established the Ganesh Producer Group, consisting of 23 other women, all focused on turning a simple resource; sal leaves into a sustainable livelihood.

With the support of SwitchON's livelihood centers, Soma and her group received essential training in business management and production techniques. They were also connected to various government schemes and partnerships that provided them with the resources needed to succeed. One of the key contributions was the provision of a sal leaf-making machine, which significantly enhanced their production capabilities. Today, the group can produce up to 6,000 pieces of plates and bowls in just four hours, a remarkable achievement that has boosted their income. The group earns around Rs.4000 per month.

Moreover, the group's access to marketing opportunities has opened doors to lucrative deals, further increasing their financial stability. Soma's journey from battling personal adversity to empowering her community exemplifies how determination and the right support can transform lives and create lasting economic change.

## CONCLUSION

Rural women's entrepreneurship is a key driver of **economic growth and self-sufficiency** in rural areas. By leveraging local agricultural resources and addressing socio-cultural barriers, women entrepreneurs contribute significantly to their communities and the broader economy. Despite facing challenges such as limited education, financial constraints, and intense competition, government initiatives like the Pradhan Mantri Mudra Yojana and the Mahila Coir Yojana provide crucial support through financial assistance and training.

The SwitchON Foundation's efforts through initiatives like **Women on Wings and Udyamini** are crucial in addressing the substantial challenges rural women entrepreneurs face. Despite their potential, these women encounter significant barriers, including limited education, difficulties in accessing funding, and outdated technology. The Foundation's targeted interventions are designed to overcome these hurdles: by providing essential training and resources, facilitating access to financial support, and modernizing agricultural practices. This approach directly addresses issues such as the lack of education, financial constraints, and tough competition that often impede rural women's entrepreneurial success. By focusing on these challenges, the SwitchON Foundation empowers women and drives sustainable development and economic independence in rural communities.

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**SwitchON Foundation**, established in 2008, is a leading non-profit organisation focusing on Environment Sustainability and Equal Opportunities. Operating in 10 Indian states. It leads initiatives in Clean Energy Access, Sustainable Agriculture, Skilling, Clean Air and Sustainable Cities. Key strengths encompass innovative project implementation, capacity building, field support, awareness and advocacy.

