



Role of MSME in Empowering Women Social Entrepreneurship in Karnataka

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ABSTRACT

Social Entrepreneurship among women is critical to a country's inclusive economic development. It not only empowers women socially and economically, but it also makes a substantial contribution to job creation, innovation, and poverty reduction. To ascertain potentials of women social entrepreneurship in Karnataka and to explore role of MSMEs in empowering women social entrepreneurs in Karnataka the present study is being carried out. The present study was exploratory in nature hence exploratory research design was adopted. To explore women social entrepreneurship potentials and challenges in Karnataka in setting up and sustaining MSMEs, to explore this, researcher has taken qualitative data by deliberately interviewing women social entrepreneurs. These interviews highlights challenges faced by women social entrepreneurs are limited access to finance and collateral for loan, societal and cultural constrains, lack of network and mentors, lagging networking and technical skill and lack of connectivity and marketing infrastructure.

Introduction

Entrepreneurship among women is critical to a country's inclusive economic development. It not only empowers women socially and economically, but it also makes a substantial contribution to job creation,



innovation, and poverty reduction. Women entrepreneurs in India are gradually emerging in a variety of areas, breaking down societal and economic obstacles. Indian women entrepreneurs have come a long way since the traditional deep-rooted vision of Indian society, and they are primarily found in India's MSME sectors. Comprehension their growth and advancements requires a thorough comprehension of their entrepreneurial skills in relation to their performance. The objective of this study is to explore the factors of women entrepreneurial ability which impacts the successful performance of the women entrepreneurs in MSMEs of Karnataka state in India.

However, their total engagement remains low when compared to males, particularly in the formal business ecosystem. The Micro, Small, and Medium Enterprises (MSME) sector is the foundation of the Indian economy. It accounts for around 30% of national GDP, 45% of manufacturing production, and nearly 48% of exports (Ministry of MSME, GoI, 2023). MSMEs are also an important source of employment, second only to agriculture with over 110 million employees. The industry has enormous potential to boost female entrepreneurship by providing low entry barriers, decentralised production models, and opportunities for innovation and skill-based businesses. According to the MSME Ministry's 2022 report, India has over 8.59 million women-owned MSMEs, accounting for roughly 20% of all firms. These enterprises are often minuscule in size and operate in traditional industries such as textiles, food processing, handicrafts, and services. Despite various government initiatives, such as the Pradhan Mantri MUDRA Yojana (PMMY), Stand Up India, and TREAD (Trade Related Entrepreneurship Assistance and Development), women entrepreneurs continue to face challenges such as limited credit access, a lack of business training, gender biases, and a lack of awareness of support schemes.

Recent research has highlighted the expanding influence of social entrepreneurship and self-help groups on marginalised women in Karnataka. Women social entrepreneurs have demonstrated considerable potential in addressing gender gaps when compared to commercial entrepreneurship (Nair, 2020). The PMFME scheme has empowered women entrepreneurs in the Belgaum region, enhancing their business success, income generation, and personal empowerment (Veena, Sarathi, & Sudha, 2024). In rural Karnataka, microenterprises have contributed to women's advancement, with social, cultural, legal, and administrative factors influencing their sustainability (S Mamatha & Mutyala, 2023). Self-help organisations have emerged as a key tool for rural women's economic independence, opening the way for socioeconomic revolution in Karnataka (Lokesh & Geethanjali, 2023). These studies collectively emphasize the positive impact of various entrepreneurial initiatives on marginalized women in Karnataka, while also highlighting the need for further research to validate key variables in this field.



Government Initiatives & Financial Support for Women Entrepreneurs

Recognizing the potential of women-led MSMEs, the Indian government has introduced several initiatives to provide financial aid, mentorship, and skill development opportunities.

Key Government Schemes Supporting Women Entrepreneurs:

- The Mudra Yojana provides collateral-free loans up to Rs. 10 lakh to support small companies managed by women.
- The Stand-Up India Scheme provides bank loans of Rs. 10 lakh to Rs. 1 crore for female entrepreneurs.
- The Mahila Udyam Nidhi Scheme enables women to fund their new or existing companies.
- The Trade Related Entrepreneurship Assistance and Development (TREAD) Scheme provides training and finance assistance for women in small companies (Social and Economic Sustainability Research Foundation, 2025).

Key Women Social Entrepreneurs who changed the social taboos

Kalpana Saroj (Kamani Tubes) was one of India's first successful Dalit female entrepreneurs.

Kiran Mazumdar-Shaw (Biocon) is India's biotech pioneer and a worldwide recognised entrepreneur.

Falguni Nayar (Nykaa) established one of India's most successful e-commerce firms, launched by a woman. Chetna Gala Sinha (Mann Deshi Bank) empowers rural women via financial inclusion and micro-entrepreneurship.

Review of Literature

In S R Nair's (2020) study on Examine Women Social Entrepreneurial Ecosystems, he outlines how, over the last few decades, the concept of social entrepreneurship has grown as a popular area of research and activity. However, despite the fact that women social entrepreneurs have significant potential due to a lower gender disparity in social entrepreneurship, as opposed to commercial entrepreneurship, where the gender difference is high, there is a lack of literature on women's social entrepreneurial endeavours. This study attempts to fill this gap by reviewing existing publications in the subject of social entrepreneurship. By reviewing the existing literature, the author draws a comparison between social entrepreneurship and women social entrepreneurship, then examines the success factors in women's social entrepreneurship and also discusses the challenges. To build-up the link between the literature and practice two real case



studies are presented in support of the discussed theoretical inputs. Finally, limitations and future research areas are discussed.

In their study on Sustainable Factors Affecting Women Entrepreneurs: A Comprehensive Review, S Mamatha and Mutyala (2023) conducted a survey of 209 women entrepreneurs to examine how sustainability factors affect women business owners' interest in and capacity in the rural Karnataka districts of Ramanagara and Kolar, respectively. They were researching how microenterprises helped other businesses sustain long-term viability. The growth and viability of microenterprises are expected to be influenced by social, cultural, legal, and administrative challenges. This paper suggests that critical entrepreneur studies are not being conducted in modern management culture in order to develop action-oriented managerial viewpoints. The research looks at the many dimensions of entrepreneurial factors and how they affect women's advancement. This research adds to the body of knowledge by differentiating traits and their impacts on women's empowerment through microenterprises. It improves theoretical understanding of three key conceptual shifts: (1) women in microenterprises, (2) microenterprise sustainability considerations, and (3) factors driving women microenterprises towards sustainability. The area of entrepreneurial literature expanded to include Aatmanirbhar Bharat as a result of the conceptual shift from women in microenterprises to women and microenterprises.

Williams and Gurtoo (2011), in their exact examination *Assessing Women Business People in the Informal Sector Some Evidence from India*, support that not all innovative endeavours in the casual division in the minimised population are not, at this point, occupied with bad quality work directed under helpless conditions for a low payout of need without elective methods for occupation." By leading eye to eye meetings of around 323 ladies business people working in the casual division of India, it was found that despite the fact that the structuralise portrayal is generally suitable for ladies associated with wage structure in the casual segment, it is invalid for ladies business visionaries in this area taking a shot at the independently employed premise in light of the fact that in their belongings the salary is similarly higher than those filling in a compensation labourer, they get more credit from casual foundations, appreciates higher organization enrolment and consequently, such work becomes a lot of normal decision over need-based or being a decision as a final retreat (Williams & Gurtoo, 2011).

Tiwari, Reddy, and Gupta (2023) conducted an analysis of factors influencing the success of women entrepreneurs: a study of MSMEs in Karnataka. The current study explores female entrepreneurs' participation in the Micro, Small, and Medium Enterprises (MSMEs) industry and examines the relationship between several criteria and entrepreneurial success. Several researchers have attempted to



understand the relationship between these elements and the achievement of entrepreneurship, as entrepreneurial endeavours benefit society. However, a clear definition of entrepreneurial success is challenging. The lack of clarity surrounding the previously described concept demands a thorough investigation. The sustainability of firms run primarily by women is determined by a variety of elements, including demographics, sociocultural factors, the entrepreneurs' psychological traits and talents, environmental conditions, and the organisational framework. The significance of these aspects in achieving the organization's goals has been highlighted. The goals of this study are to uncover the causes of women's success and investigate the impact of demographic variables on the success factors of female entrepreneurs in Karnataka. The study also seeks to assess the impact of various factors on the performance of women entrepreneurs in Karnataka, as well as to investigate the moderating elements that influence their success.

MSME Women Entrepreneurs were chosen from six districts in Karnataka through a multistage sampling process. The study's findings show that psychological factors, social factors, skill factors, and resource factors all have a significant impact on the success of women entrepreneurs, and that when psychological factors are moderated by resource and skill factors, the success of women entrepreneurs increases. The report gives recommendations to policymakers, including the MSME Development Institute, women entrepreneurs, and their families. This study makes a contribution to the existing literature on the factors that influence the success of women entrepreneurs. Specifically, it extends the literature by exploring the comparative efficacy of psychological, socio-cultural, skill and resource factors. Additionally, it contributes to the literature review by highlighting the significance and impact of demographic factors on these same factors for women entrepreneurs. The findings of the study suggest that a more comprehensive investigation could be carried out by increasing the sample size and expanding the study's scope to encompass a broader geographic area, thereby enhancing the generalizability of the study's results within the Indian context.

Rationale of the Study

Karnataka is among the more industrially progressive states in India and has been a front-runner in MSME promotion. As per the Karnataka Udyog Mitra and Directorate of Industries and Commerce, the state has over 10 lakh MSMEs, contributing significantly to the state's economy and employment. The government of Karnataka has undertaken initiatives such as the Elevate Women Program, Startup Karnataka, and sector-specific policy frameworks to encourage women entrepreneurship. Despite this, a notable regional disparity exists within the state. While Bengaluru and other southern districts have seen



robust growth in women-led enterprises, North Karnataka, comprising districts such as Dharwad, Belagavi, Kalaburagi, and Bidar, still lags behind (Jeratagi, 2023).

However, women entrepreneurs here face compounded challenges including limited mobility, lesser access to financial institutions, minimal digital literacy, and weaker institutional support systems. However, across Karnataka has untapped potential for MSME development, especially in agro-processing, rural handicrafts, textiles, and service-based industries. Given this backdrop, there is a pressing need to study the extent, challenges, and enabling factors related to women's participation in the MSME sector in Karnataka.

Objectives

- To ascertain potentials of women social entrepreneurship in Karnataka
- To explore role of MSMEs in empowering women social entrepreneurs in Karnataka

Research Methodology

The present study was exploratory in nature hence exploratory research design was adopted. To explore women social entrepreneurship potentials and challenges in Karnataka in setting up and sustaining MSMEs, to explore this, researcher has taken qualitative data by deliberately interviewing women social entrepreneurs. Total 8 women social entrepreneurs interviewed and collected primary data on potentials for social entrepreneurship and challenges faced by them. The women Social entrepreneurs were interviewed from Tumakuru, Mandya and Mysuru Districts from both rural and urban areas.

Table No.1 Showing Women Social Entrepreneurship background

Participant	Nature of Social Entrepreneurship	District	Year of Experience
Participant # 1	Domestic Industry	Tumakuru	04
Participant # 2	Agro based Industry	Mandya	05
Participant # 3	Service Industry	Mysuru	10
Participant # 4	Agro based Industry	Mandya	08
Participant # 5	Manufacturing Industry	Mysuru	04
Participant # 6	Agro based industry	Tumakuru	08
Participant # 7	Manufacturing Industry	Mysuru	06
Participant # 8	Home Based product	Mandya	12



Findings and Discussions

Participant #1 “I have started my small scale industry 4 year back, I struggled to arrange money to sustain my business, once I got information and marketing strategies I could able to lead my industry without dependency”

Participant #2 “I am basically from rural and marginalized background. initially I struggled to overcome societal bias and disparity. I was active member of self help group the group has exposed me to financial institutions, schemes and opportunities for women entrepreneurs. By inspiring and with the SHG support I have started small scale agro industry 5 year back, in initial days I struggled to get raw material and marketing for product which I produce. Now I could able to sustain my industry with the support of family.

Participant #3 “I am from humble background women I started my venture 10 year back I struggled to get financial support, but my venture could sustained with support from government schemes, otherwise my venture could have failed to sustain”.

Participant #4 “we face several hindrance while setting up a business, being women is first setback, further we have to face social and financial drawbacks. It is very difficult to set up a business. I have started my enterprises as home based products in small scale, now my products are selling like hotcake hence I have expanded my business I have given job to 20 women workers.

Participant #5 “ Women are more powerful when it come to leading an enterprises but financial backups, networking and marketing are major threats to sustain an enterprises. In these areas I faced several challenges, however with my willpower I could sustain my business with the support system of government, community and family.”

Participant #6 “ when I started business 15 years ago the society was so orthodox they were not accepting women as an entrepreneur, but now due to affirmative actions from government many women are coming forward to setup an enterprise. However, their passion to start enterprises very much required, I sustained my enterprises with my passion. In Karnataka, agro industry has more avenues to do but women are not coming up to tackle the opportunity”

Participant #7 “social entrepreneurship is not easy to women because of lack of technical knowledge, lack of financial decision and social customs drawback for come forward and establish an enterprise. In my case I faced these kind of challenges but now I could able to overcome from gender based taboos”



Participant #8 Expressed her view that “organized effort from likeminded women creates wonder in women social entrepreneurship. Our entrepreneurship started with five women we have faced several challenges in initial days but with organized efforts we could able to lead our enterprise strong. Home based products have vast market whereas women entrepreneurs lagging in terms of branding and marketing.

These above interviews with eight women social entrepreneurs explored potentials and challenges faced during setting up an enterprise. Potentials are Generating stable income, dignified livelihoods, and enabling financial independence, Reducing gender disparity, uplifting marginalized communities, and enhancing social status, Women gain leadership visibility and challenge ingrained societal norms and moreover empowerment can possible through women social entrepreneurship.

These interviews highlights challenges faced by women social entrepreneurs are limited access to finance and collateral for loan, societal and cultural constrains, lack of network and mentors, lagging networking and technical skill and lack of connectivity and marketing infrastructure.

Discussions

Women entrepreneurs in Karnataka face numerous challenges in their pursuit of economic independence and empowerment. Financial constraints are a significant hurdle, with access to bank support and government funding playing a crucial role in overcoming this obstacle (Pushpalatha & Kalluraya, 2023). Family responsibilities and lack of self-confidence are major impediments for women entering entrepreneurship (Sunagar & Jigalur, 2013). Additionally, women often prefer part-time work due to family obligations, resulting in lower salaries and social status (’Mello, Monteiro, & Govindaraju, 2017). Technical knowledge and family support are essential for success (Pushpalatha M. S & Kalluraya, 2023). Despite these challenges, women-owned businesses are increasing, driven by the need for additional income and continuation of family businesses (Sunagar & Jigalur, 2013). Self-employment training and motivation are crucial factors in helping women overcome these constraints and become successful entrepreneurs (’Mello, Monteiro, & Govindaraju, 2017) .

Conclusion

Karnataka’s women social entrepreneurs are catalysts of innovation and empowerment leading transformations in agriculture, waste management, micro-retail, conservation, and more. It was evident from the qualitative data that, there are many challenges for women social entrepreneurs in Karnataka. Gender and socio economic based disparity still exist whereas, government programmes are boosting



women to start their enterprises. However, women social entrepreneurs required motivation and training. Supported by enabling ecosystems, policy frameworks, and community networks, their impact shows strong potential to scale, inspire, and shape a more equitable, sustainable future.

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