

Women Entrepreneurship: A Tool for Women Empowerment in Kerala

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Abstract -- Women entrepreneurship is of vital importance in a state like Kerala, where women outnumber men. In today's dynamic world, women entrepreneurs are likely to become an important part of the global quest for sustained economic development and social progress. Tradition warrants women to confine themselves to the four walls of the house, performing household activities. But today, the situation has changed drastically. Women have been performing well in all fields like academics, politics, administration, social work, business and so on. Entrepreneurship has become a tremendous power for empowering women. Around 13 % of the women owned enterprises are concentrated in the state of Kerala. As women are now overtaking their male peers when it comes to education, having higher degrees is one of the significant characteristics that many women entrepreneurs have in common. Even though female entrepreneurship and the formation of business networks is steadily rising, there are a number of challenges and obstacles that women entrepreneurs face. A specific solution for solving women's problems for obtaining finance has been micro financing. Microfinance is a financial institution that has exceptionally become popular in developing countries like India. Women entrepreneurs are facing many problems. Government must take steps to solve the problems of women entrepreneurs. It is one of the requirements for achieving the sustainable developments goals and to compete with other countries.

Keywords-- women, entrepreneurs, entrepreneurship, business, economic development

I. INTRODUCTION

Kerala has historically recorded higher literacy and better human development indicators relative to many Indian states, yet female labour force participation and sustained economic empowerment remain challenges. Women entrepreneurship is both a livelihood strategy and a pathway to empowerment — increasing income, social status, decision-making, self-efficacy, and community influence. This study explores whether entrepreneurship functions as a tool for women's empowerment in Kerala and which supports and constraints most strongly influence empowerment outcomes. Women empowerment has become a central theme in development discourse, particularly in societies undergoing rapid socio-economic transformation.

Kerala, often celebrated for its high literacy rates, favourable sex ratio, and progressive social indicators, presents a unique context for studying women entrepreneurship. The state's socio-cultural environment has historically encouraged women's participation in education and social life, yet economic participation—especially through entrepreneurship—has lagged behind. Entrepreneurship is increasingly recognised as a catalyst for women's empowerment. It enhances women's autonomy, decision-making power, financial independence, and social status. In Kerala, the rise of women entrepreneurs is closely linked to the state's strong educational foundation, the influence of Kudumbashree, the growth of microfinance institutions, and the expansion of service and knowledge-based industries. This research article explores how entrepreneurship functions as a tool for women empowerment in Kerala. It examines the socio-economic background of women entrepreneurs, the factors driving entrepreneurship, the challenges they face, and the role of government and financial institutions in supporting them. The study also highlights the transformative impact of entrepreneurship on women's lives and the broader community.

Women entrepreneurship is of vital importance in a state like Kerala, where women outnumber men. In today's dynamic world, women entrepreneurs are likely to become an important part of the global quest for sustained economic development and social progress. Tradition once confined women to domestic responsibilities, but the situation has changed drastically. Women now excel in academics, politics, administration, social work, and business. Entrepreneurship has emerged as a powerful mechanism for empowering women. Nearly 13% of women-owned enterprises in India are concentrated in Kerala, a state known for high female literacy and social development indicators. Higher education levels among women have contributed significantly to the rise of female entrepreneurship. Despite this progress, women entrepreneurs face numerous challenges, including financial constraints, social barriers, and limited access to networks. Microfinance has emerged as a crucial tool for addressing financial barriers.

To achieve sustainable development goals and enhance global competitiveness, government intervention and policy support are essential. This paper examines the role of entrepreneurship in empowering women in Kerala, analyses challenges, and proposes strategies for strengthening women-led enterprises.

II. CONCEPTUAL FRAMEWORK

Women empowerment refers to enhancing women's ability to make strategic life choices, access resources, participate in economic activities, and exercise control over their lives. It encompasses economic, social, political, and psychological empowerment. Entrepreneurship intersects with all these dimensions. Entrepreneurship involves identifying opportunities, mobilising resources, taking risks, and creating value through business ventures. For women, entrepreneurship is not merely an economic activity but a pathway to empowerment, identity, and social recognition. Women entrepreneurship refers to enterprises owned, managed, or controlled by women. These ventures may be micro, small, or medium enterprises (MSMEs) and span sectors such as retail, food processing, handicrafts, IT services, tourism, and home-based industries.

III. LITERATURE REVIEW

The systematic review confirms that women entrepreneurship in India is a growing multidisciplinary field with significant economic and social impact. However, there remain critical gaps in research around diverse contexts and nuanced challenges faced by women entrepreneurs (Baral et al., 2023). A 2020-21 study in Kerala identified mushroom and value addition enterprises as the most successful among 70 women-led agricultural ventures across 14 districts. - Mushroom enterprises reached break-even (revenues equaling costs) in 3 months at 1872 kg production, while value addition enterprises took 6 months at 1462 kg(Bonny et al., 2022). The paper explores the status, challenges, and development of women entrepreneurship in India. It highlights the traditionally male-dominated nature of entrepreneurship and how women are increasingly stepping into business roles despite social and economic barriers (K. H & Bhat, 2022).

IV. RESEARCH GAP

While many studies examine enterprise performance or income, fewer studies combine measurable changes in economic conditions with perceived empowerment components (social, psychological, decision-making) specifically in Kerala using primary data at the enterprise level.

There is also a need to examine the relative contribution of supports (finance, training, family support, market access) and perceived challenges to empowerment.

V. OBJECTIVES

- To describe the Factors affecting women entrepreneurship
- To understand the challenges faced by women entrepreneurs

VI. SCOPE OF THE STUDY

The study focuses on women entrepreneurs operating micro and small enterprises in Kerala. It considers both factors affected and challenges faced by women entrepreneurs in a theoretical way. The study itself is a conceptual one.

Importance of the study

Understanding which conditions improve empowerment helps policymakers, NGOs, and local institutions design training, finance, and market linkage programs. The study aims to illuminate which forms of support move the empowerment needle most and where to focus capacity building and credit/support schemes.

VII. METHODOLOGY

Since the study is a conceptual one the data are collected by reviewing articles and books.

Women Entrepreneurship

Women Entrepreneurship is women creating and running a business, a key driver for economic development, growth and gender equality. Kudumbasree (Self Help Groups) model of women empowerment is encouraging a wide range of entrepreneurial activities. It is one of the flagship programs of the Government of Kerala, centred on women empowerment. It has been successful in giving hope to millions of impoverished women and their families in Kerala. And the Next one is micro enterprises which is more common with the help of social media.

Status of Women Empowerment & Entrepreneurship in Kerala context.

1. High literacy, strong social welfare ground for women lead businesses.
2. Empowerment through financial independence and reduces poverty.
3. Social recognition and leadership roles.
4. Breaking stereotypes and gender barriers.

Key Sectors of Women Entrepreneurship

1. *Micro startups:* Micro startups in women's entrepreneurship focus on low-investment, high-impact ventures in sectors like beauty, crafts, food, and tech-enabled services, often leveraging government support (Mudra, WEP) and digital platforms to address needs in rural and urban markets, creating jobs and driving economic inclusion. Examples range from digital travel platforms for women to handcrafted goods (candle making) and tech solutions, supported by schemes for collateral-free loans and incubation
2. *Handicrafts & traditional industries:* Women's entrepreneurship in the handicraft industry is a powerful driver for economic empowerment, cultural preservation, and community growth, enabling women to gain financial independence, build skills, and challenge traditional roles by turning artisanal crafts (like textiles, pottery, jewelry) into viable businesses, supported by government schemes and digital platforms, despite facing challenges like market access and skill gaps
3. *Tourism & hospitality:* Women's entrepreneurship in tourism and hospitality offers significant empowerment through flexible work, cultural preservation, and unique ventures (like homestays, crafts), but faces barriers like financing, networks, and stereotypes, requiring supportive ecosystems, tech access, and policy focus on gender equality for sustainable growth. This sector leverages women's community focus for sustainable tourism, fostering financial independence while addressing global issues like rural decline.
4. *IT & digital startups:* IT and startups are booming for women entrepreneurs in India, driven by digital access, government schemes (like Startup India), and supportive networks, leading to significant growth in tech, health, and rural-focused ventures, despite persistent funding biases, with initiatives focusing on capacity building, funding, and creating inclusive ecosystems to empower women to lead profitable, purpose-driven businesses

5. *Food processing & organic farming programs:* Women entrepreneurs are driving a significant shift in organic farming and food processing, creating profitable, sustainable businesses by adding value to local produce (millets, fruits, herbs) into health foods, pickles, flours, etc., often supported by government schemes like PMFME and women's cooperatives, though challenges like funding access remain, highlighting huge potential for rural empowerment and economic growth.

Government & Institutional Support

1. Kerala Start up mission-Incubation and mentorship
2. Kudumbashree Mission-Community based micro enterprises
3. MSME schemes and subsidies
4. Skill development & training

Factors affecting Women Entrepreneurship

- *Traditional Gender Roles:* Societal expectations often prioritize women's domestic roles over business pursuits, creating conflict with work-life balance.
- *Family Responsibilities:* Women shoulder most childcare and household duties, leaving less time and energy for business growth.
- *Social Bias:* Discrimination, lack of acceptance, and skepticism about women's business capabilities persist
- *Financial Illiteracy:* Lack of knowledge about available schemes and financial management.
- *Market & Competition:* Stiff competition from established players, difficulty accessing raw materials, and limited marketing resources.
- *Education & Skills:* High literacy in Kerala acts as a strong base.
- *Self-Motivation & Independence:* Desire for financial independence and a new life.
- *Family Support:* Support from husbands and family is crucial for success.

Challenges Faced by Women Entrepreneurs

1. *Limited access to finance:* Difficulty securing loans due to lack of collateral (property) and bias from banks, leading to reliance on personal savings or family funds.

2. *Balancing family and business responsibilities:* Intense pressure to manage both business and primary childcare/household responsibilities, limiting time and energy.
3. *Internal issues like self-doubt or lack of self-confidence:* Stemming from societal perceptions and limited exposure, impacting belief in their entrepreneurial capabilities
4. *Lack of mentorship and networking opportunities:* Restricted access to crucial professional networks, mentors, and role models, hindering knowledge & opportunity.
5. *Cultural barriers and risk aversion:* Lower risk-taking ability due to protected environments and less economic independence.
6. *Skill gaps-Digital and managerial training:* Lower levels of business/technical education can lead to lower risk tolerance and managerial confidence, though this is improving.

VIII. REMEDIES TO SOLVE THE PROBLEMS OF WOMEN ENTREPRENEURS

- **FINANCE CELLS**-Separate cells may be opened in various financial institutions and commercial banks for providing easy and ready finance to women entrepreneurs. Finance must be provided at concessional rates.
- **SUPPLY OF RAW MATERIALS**-Raw materials must be supplied at lower rates
- **MARKETING FACILITIES**-Co-operatives must mobilize the products produced by women entrepreneurs and sell them at competitive prices, thus eliminating middlemen.
- **EDUCATION AND AWARENESS**-Women must be educated about entrepreneurship development and give awareness about the product, its marketing facilities, competition etc.
- **TRAINING FACILITIES**-Financial institutions and Government agencies must operate cells for giving training to women entrepreneurs
- **BETTER TIME MANAGEMENT**- Women entrepreneurs must try to make their husbands and children self sufficient at home.
- **GROUP ENTREPRENEURSHIP**- Group entrepreneurship is a viable option for the weaker sections of the society and it helps to overcome their poverty.

IX. WOMEN ENTREPRENEURS IN KERALA

Factors Driving Women Entrepreneurship in Kerala

1. Government Initiatives and Policies

The Kerala government has launched various initiatives to support and promote women entrepreneurs:

- *Kudumbashree Mission:* A self-help group initiative empowering women through micro-enterprises and financial support.
- *Women Startup Summit:* Organized by Kerala Startup Mission (KSUM), this summit provides a platform for networking, mentorship, and funding opportunities.
- *KSIDC's WeMission:* A dedicated program for women entrepreneurs offering financial assistance and business training.

2. Education and Skill Development

With Kerala boasting the highest female literacy rate in India, women are leveraging their education to enter diverse business sectors. Several universities and technical institutes now offer entrepreneurship courses, encouraging women to explore business opportunities.

3. Financial Support and Funding

Access to capital remains a challenge, but Kerala's financial institutions and government schemes are bridging the gap.

- Microfinance loans from cooperative banks and Kudumbashree units help small-scale businesses.
- Angel investors and venture capital are increasingly supporting women-led startups in tech, retail, and sustainability sectors.

Success Stories of Women Entrepreneurs in Kerala

1. *P.C. Musthafa & the Women Behind iD Fresh Foods* – Though founded by Musthafa, the backbone of this fresh food brand is a network of women-led self-help groups involved in manufacturing and distribution.
2. *Lakshmi Menon (Pure Living)* – An eco-conscious entrepreneur who created social impact ventures like Wicksdom (sustainable wicks for lamps) and Chekutty dolls (handmade dolls supporting flood victims).
3. *Beena Kannan (Seematti Silks)* – A leading name in the textile and fashion industry, transforming Kerala's traditional saree business.



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Emerging Sectors for Women Entrepreneurs

- *E-commerce & Online Retail:* The rise of social media marketing has enabled many women to start online businesses selling apparel, handmade crafts, and organic products.
- *Technology & Startups:* Women-led tech startups in Kerala are gaining traction in AI, EdTech, and FinTech.
- *Sustainability & Eco-Friendly Ventures:* Businesses focusing on organic farming, biodegradable products, and waste management are led by women entrepreneurs who prioritize sustainability.

X. RESULTS

The study found that women have the potential and will to establish and manage enterprises of their own. What they need is the encouragement and support. With the assistance of family members and the Government, women can join the mainstream of national economy and thereby, contribute to the country's economic progress. Women Entrepreneurship is a catalyst for sustainable development in Kerala.

XI. CONCLUSION

Kerala's entrepreneurial ecosystem is undergoing a transformation, with women playing a crucial role in its growth.

With increasing opportunities, financial backing, and digital advancements, women entrepreneurs are set to redefine business in Kerala, contributing to economic growth and social change.

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