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Women Entrepreneurship in Rural Areas: Opportunities and Challenges - A Systematic Analysis of Research Gap

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Abstract

Over the last few decades, women entrepreneurship has become increasingly important for the development of societies in terms of promoting economic growth and empowering communities, especially in rural areas with scarce employment opportunities. Rural women entrepreneurs make significant contributions to poverty alleviation, economic prosperity, and community development. Women entrepreneurs in rural areas encounter numerous problems associated with a lack of finance, poor education and training, socio-cultural barriers, and weak infrastructure.

This paper seeks to provide a comprehensive literature review of the existing literature on rural women entrepreneurship to explore key opportunities, challenges, and research gaps. This literature review is built upon academic research articles, policy documents, and empirical studies dedicated to rural women entrepreneurship. The findings show that government initiatives, self-help groups, microfinance organizations, and digital platforms offer substantial opportunities for women entrepreneurs living in rural areas.

At the same time, financial issues, poor market penetration, infrastructure weaknesses, and gender discrimination remain crucial challenges for rural women entrepreneurs. In addition, the paper outlines some critical research gaps, which include a lack of empirical studies on digital entrepreneurship of rural women and a dearth of relevant literature on sustainability of rural businesses owned by women.

Keywords: Women Entrepreneurship, Rural Development, Self-Help Groups, Financial Inclusion, Rural Entrepreneurship.

Introduction

Entrepreneurship is highly important for economic development and innovation. It helps in the development of economies through the process of business creation and increased efficiency (Schumpeter, 1934). Women entrepreneurship has become increasingly popular globally as a means of

promoting gender equality, alleviating poverty, and developing sustainably (Minniti & Naudé, 2010; UN Women, 2021).

In rural communities, entrepreneurship offers chances for women to gain economic independence and enhance their socioeconomic positions. Women in rural communities usually participate in small-scale entrepreneurial activities such as the production of handicrafts, establishment of agri-businesses, rearing of cattle, sewing, food processing, and retail operations (Tambunan, 2009; Baporikar, 2018). These ventures help in augmenting income and economic development.

Over the last few decades, several measures have been undertaken for encouraging women entrepreneurship. Some of the common examples of these programs include microfinance programs, entrepreneurship development programs, SHGs, and digital literacy programs. As a result of these programs, many rural women have become successful entrepreneurs (Sharma & Varma, 2016; World Bank, 2021).

Even with such measures, there are numerous obstacles for rural women entrepreneurs that prevent them from growing their businesses. Some of the major obstacles for rural women entrepreneurs include limited access to finance, lack of education, culture-related constraints, and poor infrastructure (Goyal & Parkash, 2011; Singh & Belwal, 2012).

Background of the Study

The concept of entrepreneurship is considered vital to the process of economic development because it leads to innovations, creation of employment and increase in production. Today, female entrepreneurship has emerged as a powerful means for the attainment of gender equality and inclusive economic growth. Women entrepreneurs help in fostering economic development by establishing businesses, earning income, and thereby increasing the standard of living for their families and societies (Minniti & Naudé, 2010). Inclusion of women in entrepreneurship endeavors has, thus, become imperative for sustainable development.

Women entrepreneurship in rural areas offers economic empowerment to the participants. There are several examples of the activities undertaken by women in rural settings for entrepreneurial gains. The types of activities include agriculture related ventures, handicraft business, food processing business, tailoring work, dairying, small retail business and many more. Such entrepreneurship activities offer both economic benefits for the participants as well as aid in rural economic development and poverty alleviation (Tambunan, 2009; Baporikar, 2018). Initiatives for promoting women entrepreneurship include microfinance schemes, formation of SHGs, skill development and entrepreneurship programs.

However, despite all these steps being taken for the empowerment of rural women entrepreneurs, these entrepreneurs still face some challenges that prevent them from growing and sustaining their enterprises. The absence of finance, education, and other business knowledge, the presence of inadequate infrastructure, and various socio-cultural barriers may prevent women from initiating and developing their business ventures (Goyal & Parkash, 2011; Singh & Belwal, 2012). Additionally, although an increasing amount of scholarly attention is paid to the subject of women entrepreneurship in general, only few studies cover rural women entrepreneurship specifically.

Objectives of the Study

- Identify previous studies done on women entrepreneurship in rural areas.
- Identify the research gap concerning the opportunities that exist for women entrepreneurship in rural areas.
- Study the difficulties encountered by rural women entrepreneurship in the research gap.
- Identify gaps in the existing studies done on rural women entrepreneurship.

Review of Literature

Schumpeter (1934) pointed out that entrepreneurship is a major factor for economic development, especially in terms of innovation and the creation of new businesses.

Research Gap: This theory addresses entrepreneurship generally and does not look at the contribution of women entrepreneurship in rural communities in particular, including their socio-cultural and economic difficulties.

Tambunan (2009) focused on entrepreneurship among women in developing countries and concluded that rural women mainly engage in small and micro-businesses because of financial constraints and market limitations.

Research Gap: This study addresses developing countries as a whole but fails to give empirical evidence about rural women entrepreneurs and their potential growth in specific regions.

Minniti and Naudé (2010) stressed that women entrepreneurs contribute significantly to lowering poverty levels and economic development but face certain obstacles connected to finance and education.

Research Gap: This research does not investigate whether the institution support system in rural settings could solve these problems for women entrepreneurs.

Goyal and Parkash (2011) analyzed women entrepreneurship in India and determined that the absence of financial help, education, and social recognition poses substantial challenges to women entrepreneurs.

Research Gap: This research does not address whether digital tools and innovations could support rural women entrepreneurs.

According to Singh & Belwal (2012), family duties, illiteracy, and poor infrastructure are factors inhibiting women from participating in entrepreneurial ventures in the rural setting.

Research Gap: The research fails to look into the measures that can help eliminate such inhibitors.

According to Roomi & Parrott (2013), the socio-cultural norms, and gender roles in developing economies impact women's participation in entrepreneurial ventures.

Research Gap: The research does not provide any evidence that the change in attitude and education can be a solution to rural women entrepreneurship.

According to Brush et al. (2014), entrepreneurial ecosystem and institutions are significant factors influencing the success of women entrepreneurs.

Research Gap: The study only focuses on urban entrepreneurial ecosystem and does not concentrate enough on rural ecosystems.

According to Kelley et al. (2015), government policies and entrepreneurship education have an essential impact on women entrepreneurs.

Research Gap: The research does not consider the effectiveness of these policies in rural settings.

According to Sharma & Varma (2016), the role of self-help groups is crucial in empowering women by granting them access to financial services and business skills.

Research Gap: The research ignores the long-term sustainability and scalability of such enterprises.

Raghuvanshi et al. (2017) emphasized the importance of social networks and community support for the success of rural women entrepreneurs.

Research Gap: The study ignores the potential of networking platforms and mentoring programs in supporting women entrepreneurship in rural settings.

Ahl and Nelson (2018) stated that most entrepreneurship policies fail to deal with the issues faced by women entrepreneurs.

Research Gap: There is no practical guidance provided in the research regarding the creation of effective policies to solve gender-based problems in entrepreneurship.

Baporikar (2018) showed that women entrepreneurship leads to socio-economic development and enhances the quality of life of rural families.

Research Gap: The paper does not consider how entrepreneurial training affects the performance of rural women entrepreneurs.

Agarwal and Lenka (2018) revealed that new technological developments may lead to business development for rural women.

Research Gap: No statistics are provided in the study to reveal the adoption and effects of technological changes among rural women entrepreneurs.

Neneh (2019) demonstrated that educational interventions increase the likelihood of women establishing a business.

Research Gap: The study concentrates solely on entrepreneurial intentions and not on the outcomes of rural women entrepreneurs.

Entrepreneurial education plays a critical role in enhancing the intention of women to become entrepreneurs.

Research Gap: The study examines the entrepreneurial intentions of women but fails to address the performance and sustainability of their businesses.

Institutional support and government policies play a crucial role in promoting women entrepreneurship.

Research Gap: The research fails to identify how the institutional support system works in rural areas.

Tourism and cultural industries can play a significant role in providing new opportunities for rural women entrepreneurs.

Research Gap: The study does not consider the potential of rural women entrepreneurs to access the tourism market.

Digital adoption plays a crucial role in enhancing business opportunities for women entrepreneurs.

Research Gap: The study does not investigate digital adoption challenges experienced by rural women entrepreneurs.

Digital technology adoption is essential for rural women entrepreneurs to access broader markets.

Research Gap: The research fails to discuss any obstacles to the acquisition of digital literacy and technology usage by rural individuals.

Singh et al. (2022) discovered that government initiatives have a positive impact on the engagement of women in entrepreneurship.

Research Gap: The research fails to determine if these government initiatives contribute to sustainable business growth among rural women entrepreneurs.

Sharma & Sumbul (2022) noted that education, training, and family support were among the factors impacting women's success in entrepreneurial ventures.

Research Gap: The research fails to investigate the design and implementation of training programs that cater specifically to rural women entrepreneurs.

Verma & Nema (2022) indicated that rural women encountered challenges in accessing financial services from formal institutions.

Research Gap: The research fails to discuss alternative financing methods such as crowdfunding or financial services using digital platforms.

Ratten (2023) argued that women entrepreneurship is crucial in facilitating sustainable development.

Research Gap: The research fails to assess the sustainability efforts of rural women-owned businesses.

Singh & Kaur (2023) revealed that the introduction of government entrepreneurship programs has contributed to increased female involvement in business activities.

Research Gap: The research fails to investigate the efficiency of government entrepreneurship programs in rural regions.

The role of enhancing the rural entrepreneurial ecosystem to help women entrepreneurs was stressed by Patel and Desai (2024).

Research Gap: There is no framework presented in this study for developing a rural entrepreneurial ecosystem.

Research Gap Analysis

From the review of previous literature, one would realize that women entrepreneurship has attracted a lot of attention among studies on entrepreneurship and development. Scholars have pointed out the positive

contribution of female entrepreneurship to the promotion of economic development, poverty alleviation, and social empowerment. The previous literature has shown a number of opportunities for women entrepreneurship in the form of governmental programs, self-help groups, microfinance projects, and digital innovations.

Nonetheless, there are some major gaps that should be addressed in the future research. Firstly, current research pays insufficient attention to rural women entrepreneurs since most of the literature focuses on women entrepreneurship at large or among urban women. Moreover, most of the literature deals with problems faced by women entrepreneurs (e.g., finance problems, socio-cultural issues, lack of education), but little attention is paid to possible solutions to these problems.

Finally, there is not enough research concerning the impact of digital technology, ecommerce platforms, and digital literacy on rural women entrepreneurship. Another gap is that many scholars concentrate their efforts on the problem of entrepreneurial intentions rather than the actual growth and sustainable development of women-owned businesses.

In addition to this, most of the available literature is based on secondary sources or theory. The scope of empirical research using primary data related to rural women entrepreneurship is still lacking. Consequently, it can be said that more extensive research needs to be conducted which will highlight the factors affecting rural women entrepreneurship.

Research Methodology

For this research, a systematic review of literature approach was used. The pertinent literature on women entrepreneurship in rural areas was gathered from various sources such as scholarly articles and journals, books, and policy documents.

The gathered literature was then subjected to thematic analysis to examine the themes that recur regarding women entrepreneurship in rural areas.

With this systematic review process, the research gaps were identified.

Conclusion

Rural women entrepreneurship plays an important part in fostering economic development, poverty alleviation, and social empowerment. Rural women entrepreneurs play a substantial role in generating income for their families and developing communities.

Despite various available opportunities due to government initiatives, micro-finance institutions, and technology innovations, there remain numerous obstacles for rural women entrepreneurs, including issues such as finances, education, infrastructure, and socio-cultural problems.

Several research questions are highlighted, and further investigations need to be made on the issues of digital entrepreneurship, technology innovations, and sustainability of rural women enterprises.

It can be stated that the improvement of policies, access to finance, and entrepreneurship training are crucial factors that can foster the development of rural women entrepreneurship.

Scope for Further Studies

Further research could be conducted on women's entrepreneurship in rural regions from various aspects to fill up some gaps in literature. While Mudra Yojana, Stand Up India, Startup India, and NRLM provide funding and training opportunities for rural women entrepreneurs, future research could measure the impact, reach, and effect of such programs. Further research could also consider comparative case studies in different regions and make recommendations based on the results of the research.

Another area that can be researched in the context of women's entrepreneurship is the contribution of self-help groups and microfinance institutions towards women's entrepreneurship skills. The role of SHGs and MFIs could be studied to find out the ways to improve their involvement in women's businesses.

Research related to opportunities in traditional and indigenous product markets could also be undertaken in the future. This kind of product includes, but is not limited to, handicrafts, handloom, organic foods, and other products made by hands. Ways to enhance the value of the products in question and create brands for them could be researched.

On the other hand, more empirical studies need to be done to analyze the problems that continue to plague rural women entrepreneurs. This includes their limited access to loans since they do not have sufficient collateral, low education levels, and socio-cultural restrictions that hinder them from traveling and making decisions. Another area that needs to be studied is the effect of infrastructural constraints like transportation facilities, electricity, and internet connections on rural business development.

There are also areas where further study can be done to identify capacity-building strategies, digital literacy programs, and marketing support mechanisms that could enable rural women to overcome the above obstacles and become successful entrepreneurs.

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