



# Women-Led Enterprises as a Catalyst for Regional Economic Growth and Inclusive Development in Telangana State

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**Abstract:** Women-led enterprises have emerged as a significant driver of regional economic growth and inclusive development in Telangana State. This study examines how women entrepreneurs contribute to economic independence, decision-making power, poverty alleviation, and sustainable community development. Based exclusively on secondary data from government reports, policy documents, and scholarly literature, the study analyzes the impact of institutional support mechanisms such as Skill India Mission, Pradhan Mantri MUDRA Yojana, Start-Up India, and WE Hub in strengthening entrepreneurial ecosystems. The findings reveal that women-led enterprises enhance household incomes, promote financial inclusion, generate local employment, and foster gender equality, particularly in rural and tribal communities. Skill development initiatives and microfinance support systems have improved digital literacy, managerial competencies, and access to credit. However, structural challenges such as limited financial access, socio-cultural barriers, and infrastructural gaps continue to constrain growth. The study concludes that targeted, gender-responsive policy interventions are essential to scale women-led enterprises and sustain inclusive regional transformation in Telangana.

**IndexTerms - Women Entrepreneurship; Regional Economic Growth; Inclusive Development; Financial Inclusion; Telangana State**

## I. INTRODUCTION

Women entrepreneurship has emerged as a dynamic force in driving economic growth, social transformation, and inclusive development across developing economies. In India, women-led enterprises are increasingly recognized not only as income-generating units but also as instruments of empowerment that challenge traditional gender norms and promote equitable participation in economic activities. In the context of Telangana State, rapid industrialization, urbanization, and policy-driven development have created new opportunities for women to engage in entrepreneurial ventures across sectors such as agriculture, food processing, handicrafts, services, and technology. These enterprises contribute to employment generation, income diversification, and local economic resilience, particularly in rural and semi-urban regions.

The Government of India and the Government of Telangana have introduced several initiatives to strengthen women's entrepreneurial participation and address structural barriers. Programs such as the Skill India Mission, Pradhan Mantri MUDRA Yojana, Start-Up India, and state-supported incubation platforms like WE Hub aim to bridge skill gaps, enhance access to finance, and provide mentorship and market linkages. Additionally, community-based models such as Self Help Groups (SHGs) have strengthened financial inclusion and collective enterprise development among rural women. These institutional mechanisms have significantly contributed to improving women's economic independence, decision-making power, and participation in formal and informal markets.

Despite notable progress, women entrepreneurs in Telangana continue to face challenges including limited credit access, socio-cultural constraints, digital skill gaps, and infrastructural deficiencies. While existing studies acknowledge the positive impact of women-led enterprises, there remains a need for a comprehensive assessment linking entrepreneurial growth with measurable regional economic outcomes and inclusive development indicators. Against this backdrop, the present study examines how women-led enterprises act as catalysts for regional economic growth and inclusive development in Telangana, while evaluating the effectiveness of government initiatives and identifying policy measures necessary to strengthen sustainable and gender-responsive entrepreneurial ecosystems.

### *Objectives of the Study*

1. To analyze the contribution of women-led enterprises to women's economic independence, decision-making power, and regional economic growth in Telangana State.
2. To evaluate the role of government initiatives such as the Skill India Mission and microfinance support systems in addressing skill gaps and fostering entrepreneurial growth among women in Telangana.

- To identify the key challenges faced by women entrepreneurs in rural and urban Telangana and to examine how targeted policy interventions and innovative business models can promote sustainable community development, poverty alleviation, and gender equality.

## II. REVIEW OF LITERATURE

The existing literature consistently recognizes women-led enterprises as significant drivers of regional economic growth and inclusive development, particularly in the context of Telangana State. Mahender (2025) emphasizes that women-led enterprises enhance economic independence and decision-making power while addressing systemic barriers through initiatives such as WE Hub and the Skill India Mission. Similarly, Sreenivas (2025) highlights the transformative impact of entrepreneurship among tribal women, noting improvements in family living standards and social recognition despite financial and institutional constraints. Purohit (2020) and Reddy (2024) further argue that women-led social enterprises contribute to poverty alleviation, environmental sustainability, and community development through innovation and inclusive leadership. Studies by Mushtaq et al. (2024) and Haque et al. (2024) reinforce the importance of mentorship, targeted financial support, and digital inclusion in strengthening women's entrepreneurial ecosystems.

In rural and sector-specific contexts, Devabhaktuni et al. (2016) illustrate how the Rural Women Technology Park empowers women through technological interventions and value-added agricultural practices, thereby enhancing income and productivity. Velmurugan et al. (2024) and Thaqi and Thaqi (2025) demonstrate that women-led enterprises in agriculture, handicrafts, and rural tourism foster employment generation, cultural preservation, and local economic diversification. Srivastava (2025) underscores the role of national initiatives such as Start-Up India and Pradhan Mantri MUDRA Yojana in promoting financial inclusion and entrepreneurial participation among women. Collectively, the literature affirms that women-led enterprises serve as catalysts for gender equality, poverty reduction, and sustainable development, though structural challenges—such as limited credit access, patriarchal norms, and inadequate policy outreach—continue to constrain their full potential in Telangana.

Despite extensive recognition of the economic and social contributions of women-led enterprises in Telangana State, significant research gaps remain. Most studies adopt descriptive or sector-specific approaches without providing comprehensive empirical analysis linking women-led enterprises directly to measurable regional economic indicators such as GDP contribution, employment elasticity, or long-term poverty reduction. Limited research integrates micro-level socio-cultural factors with macro-level economic outcomes to assess inclusive development holistically. Furthermore, there is insufficient evaluation of the effectiveness, outreach, and impact measurement of government initiatives like WE Hub and Skill India Mission specifically within Telangana. Future research should adopt mixed-method or longitudinal approaches to bridge these gaps and develop evidence-based policy recommendations that strengthen women-led enterprises as sustainable catalysts for regional economic transformation.

## III. RESEARCH METHODOLOGY

The present study adopts a descriptive and analytical research design based exclusively on secondary data to examine the role of women-led enterprises in fostering regional economic growth and inclusive development in Telangana State. Secondary data were collected from government reports, policy documents, journal articles, census data, economic surveys, and publications of institutions such as Skill India Mission, WE Hub, Start-Up India, and Pradhan Mantri MUDRA Yojana, along with reports from state government departments, NITI Aayog, RBI, and MSME databases. The study analyzes existing statistical indicators related to women's economic participation, enterprise growth, access to finance, employment generation, and poverty reduction to assess their contribution to economic independence and decision-making power. Comparative and trend analyses are used to evaluate the effectiveness of skill development and microfinance initiatives in addressing entrepreneurial gaps, while thematic content analysis of policy documents and prior empirical studies is employed to identify key challenges faced by rural and urban women entrepreneurs. The findings are synthesized to examine how targeted policy interventions and innovative business models contribute to sustainable community development, gender equality, and inclusive regional growth in Telangana.

## IV. IMPACT OF WOMEN-LED ENTERPRISES IN TELANGANA ON ECONOMIC INDEPENDENCE OF WOMEN AND THEIR DECISION-MAKING POWER

Women-led enterprises in Telangana play a transformative role in enhancing women's economic independence and strengthening their decision-making power, particularly among marginalized communities such as tribal women. Entrepreneurship has enabled women to achieve financial autonomy, social recognition, and greater control over household and business-related decisions. Empirical evidence indicates that a significant proportion of tribal women entrepreneurs report improved autonomy and societal respect as a result of their business activities (Sreenivas, 2025). The role of Self Help Groups (SHGs), especially in districts like Suryapet district, has been instrumental in improving women's financial literacy and enabling independent financial decision-making (Chakravarthy, 2024). Additionally, institutional mechanisms such as WE Hub provide structured support through skill development, incubation, and market linkage assistance, thereby addressing systemic barriers and promoting sustainable entrepreneurial growth (Mahender, 2025).

Beyond financial gains, women's entrepreneurship in Telangana has significantly contributed to shifting traditional gender norms and enhancing leadership capacities. Studies highlight that many women entrepreneurs experience increased confidence, improved communication skills, and stronger participation in household and community decision-making processes (Manzoor et al., 2022). Women-led enterprises also generate employment, contribute to poverty reduction, and uplift overall living standards, thereby fostering inclusive social and economic development (Bist, 2025). However, despite measurable progress, persistent challenges such as limited access to finance, infrastructural constraints, and inadequate outreach of government schemes continue to restrict the full potential of women entrepreneurs (Sreenivas, 2025). Addressing these structural barriers through targeted policy interventions and strengthened institutional support is essential to sustain and scale the empowerment outcomes achieved by women-led enterprises in the state.

## V. ROLE OF GOVERNMENT INITIATIVES IN ADDRESSING SKILL GAPS

Government-led initiatives under the **Skill India Mission**, such as the *Pradhan Mantri Kaushal Vikas Yojana (PMKVY)* and related skilling programmes, are instrumental in equipping women with market-relevant skills essential for entrepreneurial success

and employability. Nationally, PMKVY efforts have resulted in over **32.7 million enrolments** and **25.7 million completions** of vocational training across various sectors by March 31 2025, indicating a broad scale of skill development outreach that women entrepreneurs can leverage for both business and workforce readiness. Special emphasis on women under the Mission—including reserved seats, gender-focused training modules, transport support, and industry linked courses—has led to rising female participation in apprenticeship and vocational schemes (from 22.79 % to 25.80 % in 2024–25 to 2025–26) and more than **80 % women beneficiaries** in Jan Shikshan Sansthan programs, which are critical in rural Telangana contexts. In tandem, state-level skilling ecosystems like the **WE Enable** cohort in Telangana graduated **600 women with digital, communication, and workplace readiness skills**, while engaging **7,500 participants** with internships and industry exposure, further bridging skill gaps that hinder women from accessing formal entrepreneurship pathways.

**Table-1: Quantitative Snapshot of Skill India Mission Impact on Women**

Skill Development Indicator	Data / Outcome
Total PMKVY enrolments (all candidates) by March 31 2025	<b>32,78,264</b>
PMKVY training completions by March 31 2025	<b>25,71,068</b>
Female participation in apprenticeship schemes (2025–26)	<b>25.80 %</b>
Women beneficiaries under JSS schemes	<b>&gt;80 %</b>
WE Enable graduates (Telangana)	<b>600 women</b>
Participants engaged in WE Enable training	<b>7,500</b>

These initiatives collectively help reduce skill mismatches, strengthen digital and business competencies, and increase access to employment or entrepreneurial prospects—a foundational step in supporting women-led enterprises in Telangana to thrive in competitive and evolving markets.

#### **VI. IN WHAT WAYS DO WOMEN-LED ENTERPRISES PROMOTE SUSTAINABLE COMMUNITY DEVELOPMENT AND POVERTY ALLEVIATION IN RURAL AREAS OF TELANGANA?**

Women-led enterprises in rural areas of Telangana State promote sustainable community development by generating local employment, diversifying income sources, and strengthening grassroots economic systems. Many rural women entrepreneurs operate in agriculture, food processing, handicrafts, handlooms, dairy, and micro-enterprises, which create livelihood opportunities within villages and reduce distress migration. Initiatives such as Self Help Groups (SHGs) and the Rural Women Technology Park enable women to adopt improved technologies, produce value-added products, and access organized markets. These interventions increase household incomes, enhance farm productivity, and encourage collective entrepreneurship models that reinvest profits into local development. As women gain financial stability, they contribute more to children's education, healthcare, and nutrition, thereby improving overall human development indicators at the community level.

Women-led enterprises also contribute significantly to poverty alleviation by fostering financial inclusion and strengthening social capital in rural communities. Through access to microfinance, cooperative networks, and skill development programmes under initiatives like the Skill India Mission, rural women acquire entrepreneurial competencies and sustainable income-generating skills. Their enterprises often prioritize socially responsible practices such as eco-friendly production, preservation of traditional crafts, and community-based tourism, ensuring that development remains environmentally and culturally sustainable. Moreover, women entrepreneurs frequently employ other local women, creating multiplier effects that uplift marginalized groups and reduce income disparities. By combining economic empowerment with social transformation, women-led enterprises in rural Telangana act as catalysts for inclusive growth, long-term poverty reduction, and gender-equitable community development.

#### **VII. WHAT ARE THE PRIMARY CHALLENGES FACED BY WOMEN ENTREPRENEURS IN TELANGANA, AND HOW CAN TARGETED SUPPORT MITIGATE THESE BARRIERS?**

Women entrepreneurs in Telangana State face several structural, financial, and socio-cultural challenges that restrict the growth and sustainability of their enterprises. One of the primary barriers is limited access to formal finance due to lack of collateral, credit history, and gender bias in lending practices. Although schemes such as Pradhan Mantri MUDRA Yojana and Start-Up India aim to improve credit access, many women—especially in rural areas—remain unaware of or unable to fully utilize these schemes. Additionally, skill gaps in digital literacy, financial management, and market linkage limit their competitiveness. Socio-cultural constraints, including patriarchal norms, mobility restrictions, and dual household responsibilities, further reduce their ability to scale businesses. Infrastructural deficiencies, limited networking opportunities, and inadequate mentorship also hinder innovation and expansion.

Targeted support can significantly mitigate these barriers through integrated policy and ecosystem-based interventions. Strengthening capacity-building initiatives under the Skill India Mission and expanding incubation support through platforms like WE Hub can address skill and mentorship gaps. Providing collateral-free loans, simplified loan procedures, and financial literacy programs can enhance access to capital. Establishing women-focused market linkages, digital commerce training, and cluster-based development models can improve business sustainability. Furthermore, gender-sensitive policies that offer childcare support, safe working spaces, and flexible training schedules can reduce socio-cultural constraints. A coordinated approach involving government agencies, financial institutions, NGOs, and private stakeholders is essential to create an enabling entrepreneurial ecosystem that empowers women and promotes inclusive economic growth in Telangana.

#### **VIII. INNOVATIVE MODELS AND MICROFINANCE INITIATIVES SUPPORT THE GROWTH OF WOMEN-LED ENTERPRISES AND ADVANCE GENDER EQUALITY IN TELANGANA**

Innovative business models and microfinance initiatives have played a transformative role in strengthening women-led enterprises in Telangana State by enhancing financial inclusion, market access, and entrepreneurial capacity. Microfinance mechanisms—particularly through Self Help Groups (SHGs)—enable women to access small, collateral-free loans, savings facilities, and credit linkages that are often unavailable through formal banking channels. Government-backed schemes such as

Pradhan Mantri MUDRA Yojana and support under the Skill India Mission further enhance access to working capital and skill development. In addition, incubation and acceleration platforms like WE Hub provide mentorship, digital training, networking opportunities, and investor connections, helping women transition from subsistence ventures to scalable enterprises. Cluster-based production models, cooperative enterprises, digital marketplaces, and value-chain integration have also enabled rural women to move into higher-value activities such as food processing, handicrafts, agri-business, and eco-tourism.

These innovative and financial support systems contribute directly to advancing gender equality by strengthening women's economic agency and leadership roles. Access to microfinance increases women's control over financial resources, enhances their participation in household and community decision-making, and reduces dependency on informal lenders. Collective enterprise models foster solidarity, peer learning, and social capital, which challenge traditional gender norms and promote shared leadership. Furthermore, by generating employment for other women, these enterprises create multiplier effects that reduce poverty and narrow income disparities. As women gain entrepreneurial visibility and recognition, they reshape societal perceptions about gender roles, thereby promoting inclusive growth and long-term socio-economic transformation in Telangana.

## IX. KEY FINDINGS

The study finds that women-led enterprises in Telangana State serve as a significant catalyst for regional economic growth and inclusive development by enhancing women's economic independence, decision-making power, and social mobility. Evidence from secondary data indicates that entrepreneurship among women—particularly tribal and rural women—has improved household income levels, financial autonomy, and societal recognition. Institutional support mechanisms such as Self Help Groups (SHGs), WE Hub, and initiatives under the Skill India Mission have played a crucial role in bridging skill gaps, enhancing digital and managerial competencies, and facilitating market access. The study also highlights measurable progress in female participation in skill development and microfinance programs, which has strengthened entrepreneurial capacity and contributed to employment generation, poverty reduction, and local economic diversification in both rural and urban areas of the state.

## X. DISCUSSION

The discussion reveals that despite these positive outcomes, structural and socio-cultural barriers continue to constrain the full potential of women entrepreneurs. Limited access to formal credit, inadequate infrastructure, restricted mobility, and insufficient awareness about government schemes remain critical challenges. While national schemes such as Pradhan Mantri MUDRA Yojana and Start-Up India have improved financial inclusion, their outreach and impact at the grassroots level require further strengthening. The findings suggest that a more integrated and gender-responsive policy framework—combining financial support, mentorship, digital inclusion, and market linkages—is essential to scale women-led enterprises sustainably. Overall, the study confirms that women-led enterprises not only contribute to economic indicators but also drive broader social transformation and gender equality in Telangana.

## XI. CONCLUSION

The present study concludes that women-led enterprises in Telangana State function as a powerful catalyst for regional economic growth and inclusive development by strengthening women's economic independence, enhancing decision-making power, and promoting social transformation. The analysis of secondary data demonstrates that entrepreneurship among women—particularly in rural and tribal communities—has led to improved household incomes, greater financial autonomy, and enhanced social recognition. Institutional and policy support through initiatives such as Self Help Groups, WE Hub, Skill India Mission, Pradhan Mantri MUDRA Yojana, and Start-Up India has significantly contributed to skill enhancement, financial inclusion, and entrepreneurial ecosystem development. Women-led enterprises have not only generated employment and diversified local economies but have also played a crucial role in poverty alleviation, community development, and gender equality.

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