

Empowerment through Enterprise: Drivers and Enablers of Rural Women Entrepreneurs in Odisha

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Abstract:

Rural women play a critical role in the development of the local economy of a country, yet they face various barriers in performing proactive responsibilities in general and in becoming entrepreneurs in particular. Rural women encounter multiple problems in starting and sustaining a business in the form of socio-cultural, institutional, and infrastructural barriers. The limitations faced by women in starting an enterprise differ from those of their male counterparts, and the characteristics of rural areas also act as important obstacles to the growth of women entrepreneurs. Despite these limitations, rural women entrepreneurs contribute significantly to the growth process.

The present study attempts to analyze the impact of financial support, training programs, and social support on the success of rural women entrepreneurs. The study is based on primary data collected from rural women entrepreneurs through a multi-stage random sampling technique, and it uses various statistical tools to analyze the results. The findings reveal that financial access, training programs, and social support affect the success of women entrepreneurs to different degrees.

Keywords: Women's entrepreneurship, Financial inclusion, Rural development, Women's empowerment, Microfinance, Social support networks

Introduction

Rural women entrepreneurs are considered agents of poverty alleviation, economic expansion, and the strengthening of food security in rural areas (1). Nevertheless, they face several obstacles, such as limited access to finance, lack of social support, and insufficient entrepreneurial education (2). These obstacles restrict the ability of rural women to venture into business creation and pose a threat to the expansion of their enterprises, leading to poverty and inequality.

Rural women entrepreneurs depend heavily on financial access because it enables them to take financial risks, manage cash flows, and take advantage of emerging opportunities (3). However, obstacles such as insufficient financial awareness, non-availability of collateral, and discriminatory institutional practices often hinder rural women entrepreneurs from availing financial services (2,10,11).

Capacity-building programs and training are critical factors for enhancing managerial capabilities, business skills, and decision-making abilities among rural women entrepreneurs (4). However, women in rural areas often face difficulties in attending training and capacity-building programs due to a lack of information and limited resources (1).

Social support networks also play an important role in market access, resource mobilization, emotional support, and business advice— all of which strengthen the growth prospects of rural women entrepreneurs (5). However, within patriarchal societies where women are restricted to household responsibilities, rural women entrepreneurs frequently face obstacles in accessing such social support networks (6,15).

The proposed study aims to assess the status of financial access, training, and social support networks available to rural women entrepreneurs. It also investigates the relationship between these three factors and the business performance of rural women entrepreneurs. The study explains how these factors influence business outcomes in terms of sales growth, job

creation, and profitability through a survey of rural women entrepreneurs.

This paper is structured as follows: Section 2 presents selected reviews of literature on rural women entrepreneurs, financial access, training, and social support networks, followed by Section 3, which explains the research methodology, including the survey design, sampling strategy, and analytical techniques. Section 4 discusses the results, and Section 5 presents the findings along with policy implications.

1. Review of Literature

The significance of financial access, training, and social support in improving the business outcomes of rural women entrepreneurs has been emphasized by many recent studies. Women entrepreneurs are found to be significantly influenced by financial access, which empowers them to avail themselves of financial support from institutional services, manage the flow of cash, and take advantage of the market (2, 3,12). However, in rural areas women entrepreneurs encounter many obstacles repeatedly as a significant threat in the form of limited information, lack of collaterals, and discriminatory lending practices (2,7,10).

Rural women entrepreneurs have been confirmed to be reaping greater benefit from training and capacity-building programs in terms of increasing managerial capabilities, enhancing skills, raising awareness, and managing the market (4,1). However, studies say women entrepreneurs from rural areas often face limited access to attend such training programs (1). Social support networks are found to be a critical factor for the growth of rural women entrepreneurs, as they provide the emotional support, business advice, and relatively easy access to markets and resources (5,6). Nonetheless, rural women entrepreneurs frequently lack access to social support networks, particularly in male-dominated (6,15).

It is revealed from the literature survey that many empirical studies have been undertaken to investigate the relationship between financial access, training, and social support networks and the business outcomes of women entrepreneurs in rural areas (13,14,15). Like, the study found that access to financial services, training, and social support networks significantly enhance the business outcomes of rural women entrepreneurs in Kenya (8). Similarly, a study revealed that business success among rural women entrepreneurs in India was significantly influenced by financial access, training, and social support networks (9).

To sum up, literature emphasizes the crucial role of social support, financial access, and training in advancing the business performance of rural women entrepreneurs. The success of women entrepreneurs' performance will be significantly hampered by the obstacles repeatedly created in accessing information and resources. This study is an attempt to find out the interconnection between the business success of rural women entrepreneurs and social support networks, financial access, and capacity-building programs.

1.1 Objectives of the Study

- To analyse the status of financial access, training, and social support of rural women entrepreneurs.
- To study the interconnected effects of financial inclusion, training, and social support on the business outcomes of rural women entrepreneurs.

2. Methodology of the Study

The present study adopts a combination of both quantitative and qualitative methods. Data collection is carried out using a multi-stage random sampling technique. A total of 195 women entrepreneurs from rural areas are surveyed. A well-structured questionnaire is used to collect information from the respondents.

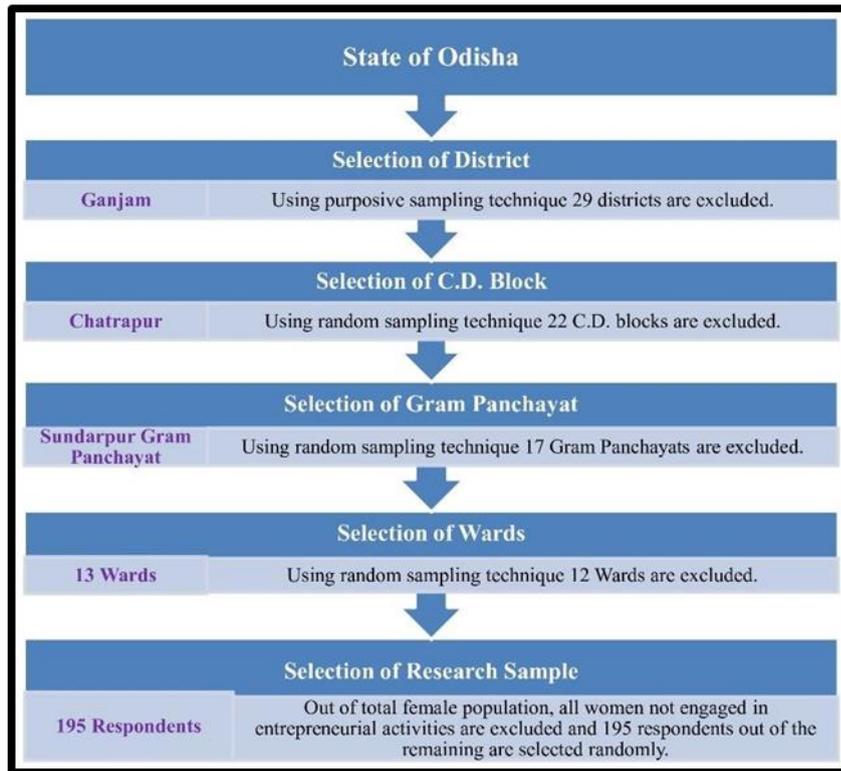


Table 1: Sample selection Procedure of the Study

In order to measure financial inclusion, information about access to credit, credit usage, and the level of financial literacy is collected. For assessing credit access, a binary scale has been employed, where a score of 1 indicates the availability of access and 0 indicates no access. Information on the usage of financial products has been collected using an ordinal scale ranging from 1 to 5, and a knowledge-based question has been posed to determine the level of financial literacy.

To collect data on entrepreneurial training, participation in training and improvement in skills are studied. A binary system is used for collecting information on participation, where a score of 1 denotes participation and 0 denotes non-participation. Furthermore, an ordinal scale from 1 to 5 is used to capture a score on improvement in proficiency levels.

For the collection of information on social support networks, a Likert scale has been used to measure family supportiveness and community ties. The assessment of business outcomes encompasses various dimensions, including growth, operational efficiency, innovation capacity, and entrepreneurial resilience. Business growth is quantified by the percentage increase over the past two years, while operational efficiency is assessed based on reductions in both time and cost. Innovation capacity is measured by the number of new products and processes introduced, whereas resilience is measured using the Likert scale.

The structural model employed in the current study is as follows.

$$BG = \beta_1 FI + \beta_2 ET + \beta_3 SSN + \epsilon_1$$

$$OE = \beta_4 ET + \beta_5 FI + \epsilon_2$$

$$IC = \beta_6 ET + \epsilon_3$$

$$ER = \beta_7 SSN + \beta_8 FI + \epsilon_4$$

BE=Business Growth; OE=Operational Efficiency; IC=Innovation Capacity;

ER=Entrepreneurial Resilience; FI=Financial Inclusion (latent variable) ;
 ET=Entrepreneurial Training; SSN=Social Support Network
 β_i =Coefficients to be estimated
 ϵ_i = Error Terms

Statistical tools employed for the analysis include Confirmatory Factor Analysis (CFA) and Structural Equation Modelling (SEM). CFA validates the measurement model and latent constructs such as Financial Inclusion and Social Support Networks, ensuring reliability and validity through metrics such as Cronbach’s alpha and composite reliability. SEM is used to estimate path coefficients (β_i) and evaluate the relationships among the constructs.

The model fit is assessed using key indices, including Chi-square/df ratio (<3), RMSEA (<0.08), and CFI/TLI (>0.90), ensuring a robust evaluation of the hypothesized pathways and overall model adequacy. Collectively, these tools provide a rigorous framework for understanding the dynamics of financial inclusion, training, social support, and their impact on entrepreneurial outcomes.

2.1 Hypotheses of the Study

Financial Inclusion

H1: Financial inclusion has a positive impact on the business growth of rural women entrepreneurs.

H2: Financial inclusion positively influences operational efficiency and entrepreneurial resilience among rural women entrepreneurs.

Entrepreneurial Training

H3: Operational capability and innovative spirit of rural women entrepreneurs increase through participation in training programmes.

H4: Training contributes positively to the business growth of rural women entrepreneurs.

Social Support Networks

H5: Social support networks improve entrepreneurial resilience among rural women entrepreneurs.

H6: Social support networks positively influence the business growth of rural women entrepreneurs.

3. Result and Discussion

Status of financial access, training, and social support of rural women entrepreneurs

Figure 1 shows that 89% of women entrepreneurs in rural areas have financial access, 63% have taken credit, and 69% are financially literate.





Source: Author's calculation

Regarding participation in training, Figure 2 indicates that about 67% of rural women entrepreneurs have attended at least one training or capacity-building programme that helped them in their venture, while 33% have not attended any such programme in the last two years.

Source: Author's calculation

Figure 3 presents respondents' opinions on the impact of training programmes on rural women entrepreneurs. It is found that 22.56% strongly agree with the positive impact of training, 31.29% agree, 18.98% remain neutral, 15.89% disagree, and 11.28% strongly disagree.

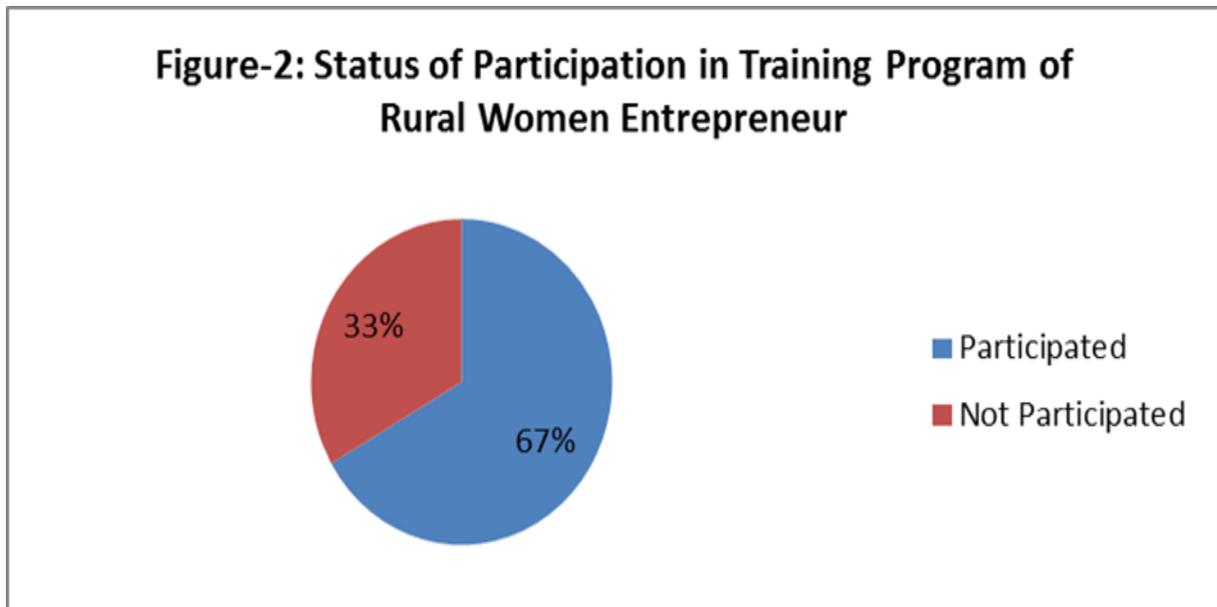
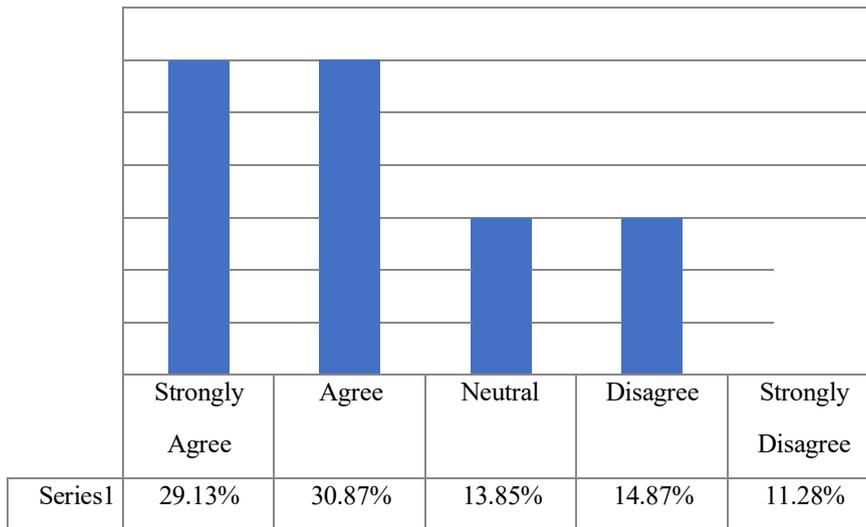


Figure-3: Opinion of Respondents on Impact of Training on Rural Women Entrepreneur

Source: Author's calculation

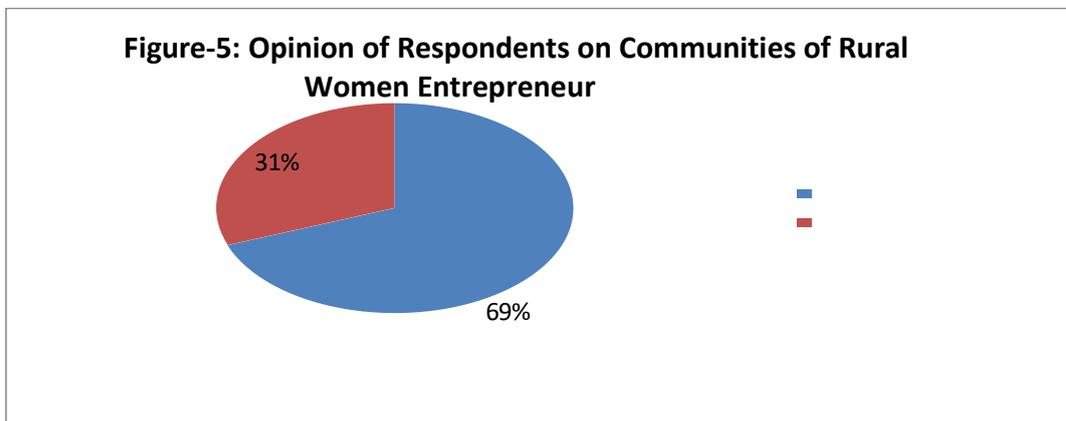


Figure 4 shows that 29.13% of respondents strongly agree about the positive impact of family support, 30.87% agree, 13.85% remain neutral, 14.87% disagree, and 11.28% strongly disagree.



Source: Author's calculation

Regarding community ties, 69% of respondents believe that community support enhances entrepreneurial abilities, while 31% report no such benefit.



Source: Author's calculation

Effect of financial inclusion, training, and social support on business outcomes

Financial inclusion has a strong positive impact on business growth among rural women entrepreneurs. The path coefficient ($\beta = 0.46$) shows that improvement in the status of financial inclusion significantly enhances business growth. The t-statistic (6.3) and p-value (0.000) confirm the statistical significance of this relationship.

Financial inclusion also moderately influences operational efficiency ($\beta = 0.31$). This indicates that better financial inclusion improves the ability of rural women entrepreneurs to manage their enterprises efficiently.

Entrepreneurial training is the strongest influencer of operational efficiency. A high path coefficient ($\beta = 0.56$) indicates that training programmes significantly improve entrepreneurs' ability to streamline operations, implement effective processes, and adapt to challenges. The high t-statistic (8.6) confirms reliability.

Table2: Path Coefficients, t-Statistics, and Significance Levels

Path	Coefficient(β)	t-statistics	p-value	Significance
FI → BG	0.46	6.3	0.000	Significant
FI → OE	0.31	4.2	0.000	Significant
ET → OE	0.56	8.6	0.000	Significant
ET → IC	0.41	5.6	0.000	Significant
SSN → ER	0.51	7.0	0.000	Significant
SSN → BG	0.21	3.1	0.002	Significant
FI → ER	0.26	3.6	0.001	Significant

Source: Author's calculation

Entrepreneurial training is found to have high positive impact on innovation capacity. 0.41 coefficient indicates that training encourages creativity, generation of idea, and ability to produce new. The significant t-statistic (5.6) and p-value supports to the fact that entrepreneurial education drives innovation.

From the results a strong positive effect of social support network is found on entrepreneurial resilience. A path coefficient of 0.51 indicates the family support, peers help and community support help the rural women entrepreneur to face the challenge in an effective way. The critical role of social networks in fostering rural women entrepreneurs is validated by high t-statistics (7.0) and statistically significant p-value.

Business growth of rural women is found to be influenced by social support network at a lesser degree ($\beta=0.21$). This indicates that while resiliencies primarily enhanced by social support, business expansion is contributed indirectly by social support. The significant of this relationship is confirmed by t-statistics (3.1) and p-value (0.002). Entrepreneurial resilience of rural women entrepreneur is positively impacted by financial inclusion with a path coefficient of 0.26. This indicates that financial inclusion helps rural women entrepreneurs manage risk and sustain themselves during difficult times. The significant relationship is supported by the t-statistic (3.6) and the p-value (0.001).

4. Policy Implications

- Steps should be taken to enhance financial inclusion among rural women entrepreneurs by increasing their access to and awareness of various financial services.
- Training programmes should focus on skill enhancement, innovation, and operational ability, with need-specific modules designed to transform rural women entrepreneurs.

- Emphasis should be placed on mentorship and community support systems to strengthen emotional and material support.
- An integrated approach combining financial inclusion, training, and social support can significantly improve business outcomes for rural women entrepreneurs.

5.1 Conclusion

Business growth (0.45) and entrepreneurial resilience (0.25) among rural women entrepreneurs are strongly and significantly influenced by financial inclusion, while operational efficiency (0.30) is moderately influenced. Entrepreneurial training emerges as the most important factor, having the highest impact on operational efficiency (0.55) and a strong influence on innovation (0.40). Social support networks have the strongest influence on entrepreneurial resilience (0.50), showing the vital role of emotional and social support. Their moderate influence on business growth (0.20) shows that they primarily build resilience, which indirectly supports business growth.

Abbreviation

Nil.

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Author Contributions

All authors accept the responsibility for the contents of this document.

Conflict of Interest

The authors declare that there is no conflict of interest.

Ethics Approval

Not Applicable.

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