

# Socio-Economic Benefits of Rural Women Entrepreneurship: A Perception Analysis

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**ABSTRACT-** For developing economies like India, the promotion of women's entrepreneurship is essential for fostering inclusive economic growth, reducing poverty, and advancing sustainable development. This paper focuses on the entrepreneurial development and perceived social and economic benefits of rural women entrepreneurs in the South 24 Parganas district of West Bengal, India. A field survey was conducted with 200 respondents selected through snowball sampling. Descriptive statistics and principal component analysis were used to sort out the relevant impacts. The study finds that entrepreneurship can significantly improve seven core indicators, confirming that women's entrepreneurship is an effective tool for advancing rural empowerment, inclusive growth, and sustainable development.

**KEYWORDS:** Entrepreneurship, Women, Employment, Economic Development, Perception, Livelihood, Principal Component Analysis

## I. INTRODUCTION

In developing countries such as India, promoting female entrepreneurship is a necessary pathway to achieve inclusive economic growth, poverty reduction, and sustainable development. This approach not only creates income-generating opportunities for individual women, boosting their financial independence and social status, but also enables enterprises founded by women to create jobs, activate local resources, and advance balanced regional development. Currently, self-help groups (SHGs), microcredit, and government support programs have expanded the space for female entrepreneurship, while further promoting gender equality and empowering women's leadership. Nurturing female entrepreneurship is a core strategy to realize economic empowerment, social inclusion, and sustainable development.

Against the backdrop of advancing financial inclusion, expanding microcredit, and the rollout of a series of self-reliance and livelihood security initiatives by the Government of India, the importance of rural women's entrepreneurship in India has become increasingly prominent. Existing studies show that resources, including microcredit, self-help groups, and institutional support, drive women's entrepreneurship, leading to improvements in their income, assets, household decision-making power,

and social status [2],[9]. Empirical research conducted in regions such as West Bengal [7],[8],[12] further notes that women's entrepreneurship can also create jobs, stimulate local economies, and advance community welfare by channelling resources into the education and healthcare sectors. However, current rural women entrepreneurs still face constraints related to financing, market access, infrastructure, and social norms. Drawing on this observation, the present study takes selected underdeveloped areas of West Bengal as its research sample, analyzes local women entrepreneurs' perceptions of entrepreneurial gains, and provides incremental contributions to livelihood. Keeping in view of the above, the main objective of this paper is to understand the perception about the economic and social benefits of women from entrepreneurship.

## II. REVIEW OF THE LITERATURE

India has positioned female entrepreneurship as a core strategy to drive economic growth and reduce unemployment, a positioning supported by Roy Chowdhury [11] and Patil [10]. Entrepreneurship creates pathways for women to become self-employed, improves their economic independence, and enables their participation in productive activities. From Schumpeter's [13] classic innovation perspective, the core of entrepreneurship is to open new markets, adopt innovative production methods, and build new types of industrial organizations. Research conducted in the state of Maharashtra divides women-owned businesses into three categories: manufacturing, trade, and services. India's 2016 government report and Singh [14] further point out that female entrepreneurship covers both agriculture-related and non-agricultural activities, as well as niche subsectors including textiles and apparel, and food processing.

Entrepreneurship is a core driving force that fuels economic growth, creates jobs, and advances social transformation, and it plays an especially prominent role in developing economies such as India. Anandkrishnan [1] defines entrepreneurship as a core process of integrating resources to create value. Following the lineage of the classic entrepreneurship theory first established by Schumpeter [13], contemporary research has gradually expanded into the field of female entrepreneurship. Gundry et al. [6] and Patil [10] confirm that this practice can improve household

welfare, advance poverty reduction, empower women, and support inclusive regional development. Gandhi and Sharma [3] point out that female entrepreneurship in India has grown beyond traditional household activities to extend into the manufacturing, service, and technology sectors, a trend that verifies the positive shift in India’s local entrepreneurship landscape and lays the groundwork for developing the core research issues of the present study. According to research by Gandhi and Sharma [3], women’s entrepreneurship in India has undergone a three-stage transformation: it began with household-based activities including kitchen work, childrearing, and hand weaving, then shifted to small-scale livelihood industries producing goods such as flour, papadam, and pickles, and has now entered four modern sectors: electricity, electronics, energy, and engineering. Jana and Das [7] note that currently, nearly one quarter to one third of formal enterprises globally are led by women, with women’s participation in the agricultural and service sectors being particularly prominent. Work experience, self-employment history, and educational level are the three core factors for entrepreneurial success. The role of women entrepreneurs has also shifted from merely taking on risks to serving as economic leaders that deliver innovation and coordination. The expansion of microfinance has improved women’s access to financial services and strengthened their entrepreneurial capacity. India’s microfinance network covers 595 districts across the country, and relevant indicators for West Bengal rank among the highest nationwide, which confirms the value of financial inclusion in driving rural women’s entrepreneurship.

**III. METHODOLOGY AND STUDY AREA**

This study takes rural women entrepreneurs in South 24 Parganas district, West Bengal, India, as its research subjects. The core goal of the study is to examine their entrepreneurial development status and the socioeconomic benefits they perceive. It adopts a descriptive analytical design, and divides the study area into two strata: the coastal Sundarban region and the non-coastal region. Two blocks, Canning-I and Mathurapur-I, are sampled from the coastal stratum, while two blocks, Baruipur and Sonarpur, are sampled from the non-coastal stratum. Snowball sampling is used to recruit 50 women entrepreneurs from each block, bringing the total sample size to 200. Primary data is collected through a structured survey questionnaire that includes 1–5 point Likert scales, covering 24 variables related to environmental, economic, and social benefits. Descriptive statistics and graphical charts are used to present entrepreneurial models, and principal component analysis is applied to extract correlations between variables, reduce dimensionality, and identify core influencing factors. Here, Principal Component Analysis (PCA) has been applied to analyse responses related to the perceptions of women entrepreneurs regarding the economic benefits of entrepreneurship. PCA is instrumental in identifying underlying patterns and correlations among various perception factors such as financial stability, savings, asset creation, and business growth. By reducing the dimensionality of the data, PCA simplifies the interpretation of these responses, highlighting the most influential factors.

**IV. RESULTS AND DISCUSSION**

The opinion of the women entrepreneurs under survey on the perception about economic benefits from different point of views as expressed by them, following a five-point Likert scale (strongly agree 5, somewhat agree 4, neither agree nor disagree 3, somewhat disagree 2 and strongly disagree 1). This study takes rural female entrepreneurs as its research subjects. Centering on the core research goals of assessing women’s empowerment from entrepreneurship and rural sustainable development, it builds a quantitative measurement system with a total of 24 overall measurement variables as presented in Table 1. Likert scale is used to measure respondents perceived levels of three types of benefits brought by entrepreneurship: economic, social, and environmental. This set of indicators breaks through the limitation of the traditional practice that only uses income to measure entrepreneurial benefits, and can comprehensively evaluate the multi-dimensional impacts of entrepreneurship on the lives of rural women. This study adopts Principal Component Analysis (PCA) to process raw data, condensing the originally interrelated raw observation variables into a small number of explanatory latent factors, to accurately identify the core functional areas through which entrepreneurship drives the realization of the core research goals.

Table 1: List of Variables

Codes of Variables	Variable Description
Income	Entrepreneurship has helped to generate income.
Asset	Entrepreneurship has contributed to household asset creation.
Subsidy	Government subsidy has been beneficial for becoming an entrepreneur.
Turnover	Annual turnover of the enterprise has increased due to entrepreneurship.
Phone	Use of mobile phone and internet has increased since starting the enterprise.
Bankloan	Possibility of obtaining bank loans has increased through entrepreneurship.
Goods	Women entrepreneurs provide useful goods and services to society.
Employment	Entrepreneurship provides employment opportunities.
Fair	Entrepreneurship promotes fair trade practices.
Finanstab	Entrepreneurship has improved financial stability.
Informalcred	Entrepreneurship has reduced dependence on informal loans/credit sources.
Savings	Capability of savings for the next generation has increased.
Network	Entrepreneurship has encouraged the expansion of relationship and social networks.
Schooling	Entrepreneurship has helped in ensuring better schooling for children.
Dignity	Entrepreneurship has enhanced dignity and quality of life.

Leadership	Entrepreneurship has helped women develop leadership roles in society.
Rapport	Entrepreneurship has improved rapport with government and other officials.
Respect	Respect from family members has increased due to entrepreneurship.
Recognition	People recognize the entrepreneur more in social gatherings.
Events	Entrepreneurship provides more opportunities to participate in social events.
Family	Opinions on family and social matters are increasingly recognized.
Toilet	Entrepreneurship has helped to construct and use toilet facilities.
Environment	Knowledge about environmental diversity has increased due to entrepreneurship.
Wastes	Knowledge about the re-use and recycling of wastes has increased through entrepreneurship.

Table 2 presents the descriptive statistics of the 24 variables. The survey set 24 variables and adopted a 5-point Likert scale to assess rural female entrepreneurs' perceptions of three categories of entrepreneurial gains: economic, social, and environmental. All statistical data are sourced from this dedicated specialized research survey. Grouped by perception mean scores ranked from highest to lowest, among the economic variables in the high-mean group, the mean score for income generation is 4.755, and the mean score for household asset creation is 4.435; among the social variables with the next highest mean scores, the mean score for support for children's schooling is 4.205, and the mean score for social network expansion is 4.190; among the institutional environment variables with medium mean scores, the mean score for access to bank loans is 3.915, the mean score for government subsidies is 3.800, and the mean score for environmental awareness is 3.660; the only variable in the low-mean group is sanitary toilet facilities, with a mean score of 2.695. Overall, the surveyed rural women generally view entrepreneurship as a multi-dimensional tool that empowers themselves and drives sustainable rural development.

Table 2: Descriptive Statistics of the Variables considered

Variable	Obs	Mean	Std. Dev.	Min	Max
income	200	4.755	.516	2	5
Asset	200	4.435	.623	2	5
subsidy	200	3.8	1.116	1	5
turnover	200	3.91	.947	1	5
Phone	200	3.81	1.316	1	5
bankloan	200	3.915	.981	1	5
Goods	200	3.82	1.006	1	5
empoyment	200	4.15	.8	1	5
Fair	200	4.125	.763	2	5
finanstab	200	4.16	.899	1	5
informalcred	200	3.87	1.058	1	5
savings	200	4.06	.996	1	5
network	200	4.19	.798	1	5
schooling	200	4.205	.968	1	5
dignity	200	4.125	.945	1	5
leadership	200	3.73	.965	1	5
rapport	200	3.655	1.083	1	5
respect	200	4.04	1.007	1	5
recognition	200	3.385	1.294	1	5
events	200	3.725	1.112	1	5
family	200	3.63	1.2	1	5
Toilet	200	2.695	1.541	1	5
environment	200	3.66	1.238	1	5
wastes	200	3.79	1.18	1	5

(Source: Authors' Estimation based on Primary Survey)

This study uses principal component analysis (PCA) to analyze rural female entrepreneurs' perceptions of the three core entrepreneurial benefits from entrepreneurship. Drawing on data from collected responses to 24 statements measured on a 5-point Likert scale, this study reduces the set of correlated variables into 8 independent cognitive factors. Through a rotated factor loading matrix, it verifies the validity of the latent dimensions by setting a threshold of factor loadings greater than 0.4. This dimension reduction process simplifies the interpretation of this group's entrepreneurial experiences, and highlights the core domains through which entrepreneurship advances their socioeconomic empowerment. Table 3 presents Eigenvalues, Variance Explained, and Cumulative Variance of the Retained Factors Obtained through Principal Component Factor Analysis of the primary survey data.



Informal cred	0.33	0.19	0.60	0.14	-0.02	-0.07	-0.02	0.07	0.47
Environment	-0.03	0.06	0.48	0.03	0.34	0.03	-0.13	0.32	0.53
Income	-0.03	-0.01	0.12	0.79	0.08	0.02	0.09	-0.01	0.35
Asset	0.04	0.14	0.29	0.72	0.07	0.12	0.02	0.21	0.32
Turnover	0.14	0.44	-0.02	0.54	0.24	0.06	0.19	0.02	0.40
Wastes	0.05	0.21	0.09	0.42	0.36	0.25	-0.30	0.05	0.48
Employment	0.07	0.02	-0.03	0.10	0.80	-0.03	0.19	0.20	0.27
Network	0.36	-0.06	0.15	0.12	0.63	0.13	0.02	0.01	0.42
Schooling	-0.11	-0.03	0.04	0.05	0.01	0.83	0.25	0.11	0.22
Dignity	0.17	0.16	0.06	0.21	0.40	0.51	-0.31	-0.05	0.38
Events	0.04	0.25	0.08	0.12	0.08	0.15	0.68	-0.03	0.42
Fair	0.09	0.07	0.20	0.14	0.22	0.21	0.64	0.00	0.43
Goods	0.01	0.05	-0.01	0.10	0.21	0.09	-0.04	0.83	0.24
Phone	0.33	0.11	-0.02	0.38	-0.14	-0.05	0.21	0.40	0.51

(Source: Authors' Estimation Based on Primary Survey Data)

## V. CONCLUSION AND POLICY RECOMMENDATION

This study conducts empirical research on entrepreneurial empowerment, focusing on rural female entrepreneurs in backward regions of West Bengal, India, to verify that entrepreneurship is an effective tool for improving the socio-economic conditions of local women. Through perception analysis, we sorted out 6 economic benefits including higher income and household asset accumulation, as well as 6 social benefits such as improved children's education and enhanced dignity and self-confidence. We then used principal component analysis (PCA) to extract 8 underlying benefit dimensions including economic empowerment and social recognition. Finally, we argue that female entrepreneurship is not merely a livelihood strategy, but a transformative process that advances inclusive growth, gender equality, and sustainable rural development.

This study's conclusions provide critical policy references for strengthening women-led entrepreneurship in rural India, and implementation can be advanced across four core dimensions: First, governments and financial institutions should expand the coverage of low-cost credit, microcredit, and entrepreneurship subsidies, and simplify loan application procedures. Second, roll out entrepreneurship education, digital financial literacy, skills training, and business incubation programs to improve women entrepreneurs' management and marketing capabilities. Third, public and private stakeholders including self-help groups, NGOs, and rural development agencies should build market linkage and exchange platforms, organizing regular site visits and trade fairs to expand market access. Finally, support for women's entrepreneurship should be integrated into the overall rural development agenda, with improvements made to infrastructure and social support systems. These efforts will ultimately drive women's economic independence, create employment opportunities, narrow the gender gap, and achieve balanced, sustainable regional development.

## CONFLICTS OF INTEREST

The authors declare that they have no Conflicts of Interest.

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