Empowering Women Through Entrepreneurship in North East India: Challenges and Prospects

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***Abstract*—In the 21st century, women have increasingly contributed to India's economic development. Many have successfully established and managed enterprises, drawing on their managerial skills, commitment, and creativity. Women entrepreneurs have overcome economic and social barriers, and entrepreneurial activities have helped them become financially independent and confident. However, women's participation in entrepreneurship remains low in India, where they continue to face numerous social, economic, and cultural restrictions (Kumar, 2021). This paper examines the status of women's entrepreneurship in Northeast India and highlights the challenges faced by women entrepreneurs in the region.**

Entrepreneurship supports active participation in the economy. Women entrepreneurs can contribute to social and economic development in the region, making it important to strengthen their entrepreneurial skills. However, they face barriers such as limited access to finance, inadequate infrastructure, and restrictive social norms (Das, 2012). This article examines women's entrepreneurship in Northeast India, drawing on secondary sources and existing literature.

***Index Terms*—Women entrepreneurs, Northeast India, Prospects, Challenges**

I. INTRODUCTION:

Entrepreneurship contributes to economic growth at both national and regional levels. In Northeast India, small and micro enterprises are particularly important because they can reduce unemployment, make better use of available resources, and improve living conditions, especially in rural areas.

Northeast India comprises eight states: Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, and Tripura. Its exceptional biodiversity and 7.9% share of India's geographical area give the region substantial development potential. Whether that potential translates into inclusive growth depends in part on women's ability to participate in and benefit from economic activity. Yet women entrepreneurs in the Northeast account for only 4% of women-owned establishments in India and generate 3.76% of the employment attributed to women entrepreneurs nationwide. These figures point to a significant gap between the region's potential and women's current contribution to enterprise and employment. Strengthening women's entrepreneurial capabilities and expanding their access to economic opportunities are therefore important not only for women's empowerment but also for more inclusive regional development.

Gender equality is essential to sustainable economic growth (Shruthi & Santosh, 2024), but women's access to economic opportunities in parts of Northeast India remains shaped by social structures that privilege men (Pulla & Sc, 2024). Entrepreneurship can strengthen women's socioeconomic position and contribute to regional development (Ering & Choudhury, 2025; Gurung et al., 2024); however, it cannot deliver these benefits equitably while women face persistent barriers to starting and expanding businesses. These barriers include unequal access to property and inheritance, restrictions on mobility, voice, and representation, and a disproportionate share of family and household responsibilities. Together with gender-based social exclusion, they constrain women's ability to secure resources, make business decisions, and benefit from economic activity (Ahammad, 2025).

This gap between entrepreneurship's potential and women's ability to participate is especially important in Northeast India, were regional economic disparities and local conditions shape access to opportunities. Although awareness, training, and other enabling initiatives have expanded, they are insufficient unless they also address the structural constraints that limit

women's enterprise development. Examining the region-specific opportunities and challenges is therefore necessary to understand not only women's participation in entrepreneurship, but also the conditions under which women-led businesses can contribute to inclusive growth. Realizing the region's economic potential requires both expanding women's access to entrepreneurship and removing the barriers that restrict their participation (Mahanta, 2023).

Objectives

1. To assess the status and distribution of women-owned enterprises and their contribution to employment across Northeast India.
2. To examine the main barriers and opportunities for women entrepreneurs and the role of women-led enterprises in inclusive economic development.

II. METHODOLOGY

The study is based on secondary data collected from books, journals, e-journals, e-books, libraries, and newspapers.

Status of Women Entrepreneurship

The North-Eastern Region is among India's least industrialized areas. Approximately 80 per cent of its population lives in rural communities and depends on agriculture, making the region's economic prospects closely tied to the development of rural livelihoods and non-farm employment. Assam, the region's most industrially developed state, has yet to realize the full benefits of modern technology, underscoring the broader gap between the region's economic potential and its industrial development.

The region comprises eight states, including Sikkim, and covers about 7.7 per cent of India's land area. Its varied terrain much of it mountainous, including the Meghalaya–Karbi plateau also includes the Brahmaputra and Barak plains, the Imphal Valley, and the plains of Tripura. It shares international borders with Bhutan to the north, Myanmar to the east, and Bangladesh to the south. This geography offers scope for regional trade and resource-based enterprise, but also makes connectivity and balanced development important considerations.

Economic development is uneven across India, and the North-East remains among the country's least economically developed areas. The Central Government has classified the region as industrially backward and introduced incentives to encourage industrial growth. However, incentives alone may not overcome the range of unfavorable conditions that constrain development. The region's persistent industrial underdevelopment therefore reflects not only a lack of investment, but also the broader economic and geographic challenges that shape opportunities for enterprise and employment. The region faces several development challenges, including rapid population growth, limited educational opportunities, inadequate healthcare, and unemployment. At the same time, it has abundant natural resources that remain underutilized. Assessing the region's industrial prospects therefore requires attention not only to its growth potential but also to the factors affecting the realization of that potential.

Across India, women own 22% of the 1,802,991 establishments, compared with 78% owned by men. In the Northeast, women's ownership shares vary substantially by state: 56% of the 173 establishments in Arunachal Pradesh, 33% of the 89,275 in Assam, 44% in Nagaland, and 41% in Sikkim. Manipur, Mizoram, and Meghalaya have 56,861, 2,319, and 3,703 proprietary establishments, respectively. Tripura has the lowest reported share among the states listed, with women owning 11% of its 10,588 establishments. [Sixth Economic Census (2013–14), Ministry of Statistics and Programme Implementation] These differences show that women's entrepreneurship is not evenly distributed across the region: strong representation in some states coexists with much lower participation in others. Separate estimates reported by Khan likewise identify Meghalaya, Mizoram, and Manipur as states with comparatively high women-owned enterprise shares 39.31%, 35.91%, and 30.49%, respectively. Taken together, the figures point to a distinctive but uneven entrepreneurial landscape, underscoring the need to account for state-level differences when assessing women's enterprise participation and designing support.

Women entrepreneurs generate the highest reported employment in Assam, providing work for 253,072 people, and the lowest in Sikkim, where they employ 9,066 people. [Sixth Economic Census (2013–14), Ministry of Statistics and Programme Implementation] These regional variations are underscored by the Fourth All India Census of micro,

small, and medium enterprises, which identifies Meghalaya, Mizoram, and Manipur as national leaders in women-owned enterprise prevalence. (Khan 2020)

Table 1 State wise female establishment in Northeast India

State	No. of Female
Arunachal Pradesh	6413
Assam	154158
Manipur	88286
Meghalaya	29530
Mizoram	15828
Nagaland	13657
Tripura	14506
Sikkim	5304

Source: Source-Sixth Economic Census (2013-14), Ministry of Statistics and Programme Implementation
Among the northeastern states, Assam recorded the highest number of women-owned establishments, while Sikkim recorded the lowest.

1State-wise Distribution of Proprietary MSMEs by Gender of Owners

Sl no	State	Male	female	All	Share of State among all MSMEs with Male Owners (%)	Share of State among all MSMEs with Female Owners (%)
1	Assam	1128411	66665	1195076	2.33	.54
2	Meghalaya	72191	39462	111653	.15	.32
3	Tripura	179169	28042	207211	.37	.23
4	Manipur	86383	86604	172987	.18	.70
5	Nagaland	65778	20865	86643	.14	.17
6	Mizoram	20439	13698	34137	.04	.11
7	Arunachal Pradesh	16153	6274	22427	.03	.05
8	Sikkim	20880	5036	25916	.04	.04
9	Other States/UTs	46861318	12123876	58985194	96.72	97.84
10	Total	4,84,50,722	12390523	60841245	100	100

Source: MSME annual report 2020-21 (Ministry of Micro, Small and Medium Enterprises, 2020)

Table-2 depicts that out of 172987 registered enterprises in Manipur; 86604 enterprises were owned by women. In Mizoram, 34,137registered enterprises, 13,698 were run by women entrepreneurs. In Nagaland, 20865 enterprises were registered as women enterprises 2020-21).

It is visible from theTable-2 that women entrepreneurship is strong and encouraging in the state of Meghalaya, Mizoram and Manipur but neglected in the rest of the region There are many reasons behind low development of women entrepreneurship. There is a need of Government, non- Government, promotional and regulatory agencies to come forward and play the supportive role in promoting the women entrepreneur in India.

Opportunities

Women in the region have recognized the economic potential of local resources and established businesses that draw on its natural wealth. Handloom and handicrafts are not only expressions of regional heritage but also important sources of livelihoods and entrepreneurial opportunity. A study sponsored by the North Eastern Development Finance Corporation Limited reported that the region accounts for 19.18% of India's handicraft units, 21.71% of its artisans, and 79.58% of the value of handicraft production. These figures indicate that the sector has a substantial economic base: distinctive products from each state attract appreciation in domestic and international markets, creating opportunities for women to turn local skills and resources into income-generating enterprises.

By supporting household livelihoods and women's economic participation, handicraft-based businesses can contribute to regional development and gender parity. Northeastern handloom and handicraft products also have strong brand value. To support these sectors, NEDFI, a leading regional financial institution, launched the Scheme for NE Handloom and Handicrafts.

Opportunities:

Several organizations support entrepreneurship in the North-East by promoting new enterprises and raising awareness of business opportunities. These include the Development Commissioner under the Union Ministry of SSI and Agro and Rural Industries; the Department of Science and Technology, which promotes the use of science and technology in entrepreneurship; the Union Ministry of Non-Conventional Energy Sources, which encourages entrepreneurship in the non-conventional energy sector; NABARD, which supports rural and women's entrepreneurship; and the Council for Advancement of People's Action and Rural Technology, which involves voluntary organizations in entrepreneurship development. The Consortium of Women Entrepreneurs of India, a registered civil-society and voluntary organization, also works to support women entrepreneurs.

These initiatives form part of a broader effort to strengthen regional development by building entrepreneurial capacity. The Central Government, the North Eastern Council, and state governments have organized entrepreneurship development programmes through agencies such as the Small Industries Development Bank of India, Small Industries Service Institute, Indian Institute of Entrepreneurship, North Eastern Development Finance Corporation, state directorates of commerce and industries, and non-governmental organizations. Over recent decades, these programmes have provided prospective entrepreneurs particularly those establishing small and medium-sized enterprises with training in project preparation, management, technical skills, marketing, finance, and accounting. By combining institutional support with practical training, these efforts can help women and other prospective entrepreneurs translate local opportunities into viable enterprises and contribute to employment and industrial development in the region.

III. WOMEN'S WELFARE PROGRAMMES

The Government of India has introduced several schemes to support women entrepreneurs, including the Pradhan Mantri Mudra Yojana, Stand-Up India, and the Mahila Udyam Nidhi Yojana. These initiatives provide financial assistance and other forms of support to help women establish and expand businesses. The MUDRA scheme offers collateral-free credit to small and micro enterprises, while Stand-Up India provides loans to women and SC/ST entrepreneurs for greenfield projects. Mahila Udyam Nidhi supports women seeking to establish or expand small businesses through loans at competitive interest rates. Collectively, these programmes aim to increase women's participation in the formal business sector and are implemented through banks, MSME departments, and government agencies. Under the scheme described here, the concerned Directorate aims to inform women beneficiaries about programmes offered by the state government and the Ministries of Social Justice and Empowerment and Human Resource Development. Training is imparted and identifies select prospective entrepreneurs and encourage them to pursue entrepreneurial careers by equipping them with the skills and other resources needed to establish enterprises. Personnel are assigned to appropriate roles and provided with training to strengthen their capabilities Furthermore, specialized initiatives like the Women's Entrepreneurship Platform serve as a vital nexus, connecting these aspiring business owners with mentorship, leadership development, and critical information regarding legal regulations and market access

Enterprise development:

Enterprise Development Programs aims at building and nurturing a reservoir of entrepreneurs and promotion of self-employed ventures capable of generating employment opportunities, especially in rural areas with the coverage of women.

IV. CHALLENGES FACED BY WOMEN ENTREPRENEUR:

Many women entrepreneurs in the handloom and handicraft sectors lack adequate vocational and technical training. This skills gap can limit their ability to improve production quality, increase output, and meet changing market demands, making it harder to move from traditional craftsmanship to sustainable, competitive enterprises.

1. Lack of Education:

Limited access to education can create a substantial barrier to women's entrepreneurship. The passage reports that around 60 per cent of women in India

remain illiterate; when women have limited formal education, they may have fewer opportunities to learn about new technologies, business practices, and markets. This can constrain business planning and decision-making, weaken confidence in pursuing entrepreneurial goals, and make it harder to establish and sustain an enterprise. Most women entrepreneurs included in this survey do not hold a formal degree or diploma. Many have developed valuable skills through practical experience and knowledge passed down through generations, but these strengths may not, on their own, provide all the skills needed to adapt to changing business conditions. Consequently, many women entrepreneurs in the North-East continue to rely on basic, outdated technologies, which may limit their productivity and competitiveness.

2. Limited Access to Raw Materials:
Many women-led enterprises face shortages of raw materials and other essential inputs, which poses significant challenges across various industries. The scarcity of essential components can lead to increased cost, production delays and even product shortage. This issue is compounded by geopolitical tension, economic fluctuation and need for sustainable practices. Furthermore, the persistent exploitation by middlemen often exacerbates these supply chain constraints, stripping entrepreneurs of fair profit margins and further destabilizing production schedules (Bilgrami et al., 2022).

3. Problem of Finance:
The North-Eastern region has relatively limited industrial and economic development, which contributes to the financial difficulties faced by women entrepreneurs. Many have little awareness of policies and programmes offering financial incentives. They rely on several sources of finance, including bank loans, funds borrowed from friends or moneylenders, and personal savings. For most, however, personal savings are the only available source. Although finance is essential to an enterprise, women entrepreneurs often face funding shortages for two main reasons. First, women are often denied a share of ancestral property, limiting their ability to offer it as collateral when seeking loans. Second, banks may regard women as less creditworthy and discourage lending based on the assumption that they might discontinue their ventures at any time.

4. Low Capital Investment:
Many women entrepreneurs in the North-East prefer small business, often clothing and food products. Many prefer smaller businesses with moderate investment requirements and returns, partly because they are aware of the constraints they face. Limited access to bank credit also hinders the modernization of women-owned enterprises.

5. Male-Dominated Society
Gender-based prejudice remains widespread in India. Although the Constitution guarantees equality, women are still often viewed as weaker than men. Assumptions about women's roles, abilities, and capacities can disadvantage them and discourage their participation in business.

6. Stiff Competition:
Women entrepreneurs may lack the organizational and financial resources to promote their products. As a result, they face strong competition from established businesses and male competitors, which can threaten the success of their enterprises.

7. Limited Mobility:
Women in India generally face greater mobility restrictions than men. Complex business-registration procedures and disrespectful treatment by some officials may further discourage women from starting businesses. Furthermore, ingrained social expectations and family obligations often demand that women prioritize domestic duties over professional endeavors, leaving them with little time to navigate external business requirements or engage in necessary networking (Garg & Agarwal, 2017). This restricted freedom of movement frequently impedes their ability to attend essential industry exhibitions, engage directly with suppliers, or access diverse markets beyond their local vicinity (Soni et al., 2025; Venkatesh et al., 2017).

8. Geographical Isolation:
Women entrepreneurs also face challenges arising from the North-East's geographic separation from mainland India. Geographic isolation possesses significant challenges for women entrepreneur particularly in rural and remote areas. These women often limited access to resource, market and

institutional support which can hinder the ability to start and sustain their business

V. CONCLUSION

Although women constitute nearly half of India's population, their participation in entrepreneurship remains limited. Despite government initiatives and institutional support, relatively few women establish and operate businesses, including in the North-Eastern states. Greater participation by women in entrepreneurship is an important aspect of promoting equal opportunity. Constitutional provisions and government policies support women's participation in political processes and their access to education and employment. The government has also introduced initiatives to encourage women's entrepreneurship, including schemes through the Ministry of Skill Development and Entrepreneurship

The prospects for women's entrepreneurship are promising. With sustained support, women entrepreneurs could narrow the gap with men and outperform them in some areas.

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