



Women Entrepreneurs and the Development of Micro, Small and Medium Enterprises: An Empirical Study of Gaya District, Bihar

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ABSTRACT

This study examines the role of women entrepreneurs in the development of Micro, Small and Medium Enterprises (MSMEs) in Gaya district, Bihar. MSMEs are important for employment generation and local economic growth, especially in rural and semi-urban areas. The study is based on both primary and secondary data, where primary data were collected from 120 women entrepreneurs through a structured questionnaire. The findings show that women are mainly engaged in small-scale activities such as tailoring, food processing, retail trade, and beauty services. These enterprises contribute to household income and create employment opportunities at the local level. The study also reveals that most women entrepreneurs depend on personal savings, family support, and self-help group loans for financial resources. However, they face several challenges, including lack of finance, limited market access, inadequate training, and family responsibilities. The study concludes that women entrepreneurs play an important role in strengthening MSMEs and local development, but better financial support, skill development, and market linkages are necessary to enhance their growth and sustainability.



1. Introduction

Micro, Small and Medium Enterprises (MSMEs) are very important for the economic development of India. These enterprises create large employment opportunities with small investment and help in the growth of local industries. The MSME sector contributes significantly to national income, industrial production, and exports. Because of their small size and flexible nature, MSMEs can be established even in rural and semi-urban areas. Therefore, they play an important role in reducing unemployment, promoting balanced regional development, and encouraging entrepreneurship among different sections of society. In recent years, women entrepreneurship has increased in India. Many women are now starting their own businesses in areas such as tailoring, food processing, handicrafts, retail trade, beauty services, and small manufacturing activities. Education, government schemes, microfinance institutions, and self-help groups have helped women to participate more actively in economic activities. When women start their own enterprises, they not only improve their economic condition but also gain confidence and independence in their personal and social lives.

Women entrepreneurs also contribute to the development of small businesses and local economies. Through their enterprises they create employment for others, increase family income, and use local resources for productive work. Many women-led MSMEs provide job opportunities to other women in the community. In this way, women entrepreneurship supports poverty reduction, social development, and women empowerment.

Although several studies have been conducted on women entrepreneurship and MSMEs in India, most of them focus on the national or state level. Very few studies examine women entrepreneurs at the district level. Local conditions such as education, infrastructure, access to finance, and social attitudes often influence women's participation in business. Because of this, it is important to study women entrepreneurship at the local level in order to understand their real situation and challenges.



Gaya district of Bihar is an important region where many small businesses operate in sectors such as trade, services, tourism, food processing, and handicrafts. In recent years, women in the district have started small enterprises with the support of self-help groups and government programs. However, they still face several problems such as limited financial resources, lack of training, and difficulties in accessing markets. Therefore, studying the role of women entrepreneurs in MSMEs in Gaya district can help to understand their contribution to local economic development and the challenges they face.

The present study examines the role of women entrepreneurs in the development of Micro, Small and Medium Enterprises in Gaya district, Bihar. The paper is organized into different sections. After the introduction, the next section presents the review of literature related to women entrepreneurship and MSMEs. The following section explains the research methodology used in the study. After that, the results and discussion are presented. Finally, the paper ends with the conclusion and suggestions based on the findings of the study.

2. Literature Review

Women entrepreneurship has become an important area of research because it contributes to economic development and social change. **Hisrich et al. (1984)** explained that women entrepreneurs are individuals who start and manage business enterprises while taking financial risks in order to achieve economic independence and personal satisfaction. Later, **Minniti et al. (2010)** observed that women's participation in entrepreneurial activities has increased in many developing countries due to better education, improved access to resources, and changes in social attitudes toward women's economic roles. Similarly, **Brush et al. (2009)** highlighted that women entrepreneur play a significant role in job creation, income generation, and innovation in small business sectors.

Researchers have also emphasized the importance of MSMEs in economic development. **Beck et al. (2005)** stated that small and medium enterprises contribute significantly to employment generation and economic growth, especially in developing economies. Likewise,



Ayyagari et al. (2007) found that MSMEs create a large share of new jobs and support industrial development by encouraging entrepreneurship. In the Indian context, **Subrahmanya et al. (2011)** pointed out that MSMEs help in regional development by promoting industrial growth, exports, and technological development, particularly in rural and semi-urban areas.

Several studies have discussed the challenges faced by women entrepreneurs. **Tambunan et al. (2009)** reported that women entrepreneurs often face problems such as limited access to credit, lack of training, and weak business networks. Similarly, **Roomi et al. (2008)** found that social and cultural barriers, including gender discrimination and family responsibilities, restrict the growth of women-owned enterprises. In India, **Nayyar et al. (2007)** observed that women entrepreneurs frequently experience difficulties such as limited financial support, lack of managerial experience, and inadequate market information, which affect the growth of their businesses.

Government support has also been recognized as an important factor in promoting women entrepreneurship. **Singh et al. (2014)** explained that various government programs such as entrepreneurship development training, microfinance support, and self-help group initiatives have helped women start and expand small businesses. Similarly, **Sharma et al. (2013)** emphasized that financial assistance, skill development programs, and institutional support can significantly improve the performance of women-owned enterprises, especially in developing regions.

Recent research has also focused on broader analytical approaches such as bibliometric analysis and decision-making frameworks to understand entrepreneurship, economic development, and sectoral growth. **Kumar (2025)** highlighted global research trends in financial literacy and economic behavior, which are closely linked to entrepreneurial decision-making.

Similarly, **Kumar and Pamucar (2025)** and **Kumar (2025)** provided comprehensive reviews of multi-criteria decision-making (MCDM) methods, which are useful for business decision-making and enterprise management.



Studies by **Kumar (2024, 2025)** and **Kumar and Sahoo (2025)** also examined agro-based industries, supply chain management, and economic development, showing the importance of efficient management practices for small enterprises. Furthermore, **Kumar (2025)** emphasized research trends in poverty, family economy, and women, which directly relate to women entrepreneurship and empowerment.

Although a number of studies have examined women entrepreneurship and MSME development, most research has focused on national or state-level analysis. Limited attention has been given to district-level studies that examine the local conditions influencing women entrepreneurs. Local factors such as education, infrastructure, financial access, and social attitudes can strongly influence the growth of women-owned businesses. In Bihar, particularly in Gaya district, there is still a lack of detailed research on the role of women entrepreneurs in MSMEs. Therefore, the present study attempts to fill this research gap by examining the contribution, challenges, and opportunities of women entrepreneurs in MSME development in Gaya district, Bihar.

3. Research Objectives (RO)

The specific objectives of the study are as follows:

RO₁:To examine the role of women entrepreneurs in the development of MSMEs in Gaya district.

RO₂:To analyses the socio-economic characteristics of women entrepreneurs engaged in MSMEs.

RO₃:To identify the major problems and challenges faced by women entrepreneurs in managing their enterprises.

RO₄:To assess the contribution of women-led MSMEs in employment generation and local economic development.



4. Research Methodology

This study examines the role of women entrepreneurs in MSMEs in Gaya district of Bihar. The research follows a descriptive and analytical approach to understand the background of women entrepreneurs, the nature of their business activities, and their contribution to local economic development. The study area is Gaya district, where many women are engaged in small enterprises such as tailoring, food processing, handicrafts, retail trade, and service-related activities. The study is based on both primary and secondary data.

Primary data were collected through a structured questionnaire and personal interaction with women entrepreneurs. A total of 120 women entrepreneurs working in different types of MSMEs in Gaya district were selected as respondents for the study. Secondary data were collected from government reports, MSME publications, books, and research journals related to women entrepreneurship. The respondents were selected using purposive and random sampling methods.

5. Results and Discussion

This section presents the findings of the study based on data collected from 120 women entrepreneurs engaged in MSMEs in Gaya district of Bihar. The analysis explains the types of enterprises operated by women, their educational background, sources of finance, employment generation, and the main difficulties they experience while running their businesses.

5.1 Types of MSMEs Operated by Women

The survey shows that women entrepreneurs in the study area are mainly involved in small-scale and service-based activities that require limited capital and simple skills. The most common businesses include tailoring and garment work, food processing, retail trade, beauty services, and handicraft production. Among these activities, tailoring and garment-related enterprises are the most widely practiced because they require relatively low investment and basic training?



Table No. 1: Types of MSMEs Operated by Women Entrepreneurs in Gaya District

Type of Enterprise	Number of Respondents	Percentage (%)
Tailoring / Garment Work	36	30.0
Food Processing	24	20.0
Retail Trade	22	18.3
Beauty and Personal Services	20	16.7
Handicrafts and Other Activities	18	15.0
Total	120	100.0

Sources: Primary Data

The table 1 shows that tailoring and garment activities represent the largest share of women-led MSMEs in the study area.

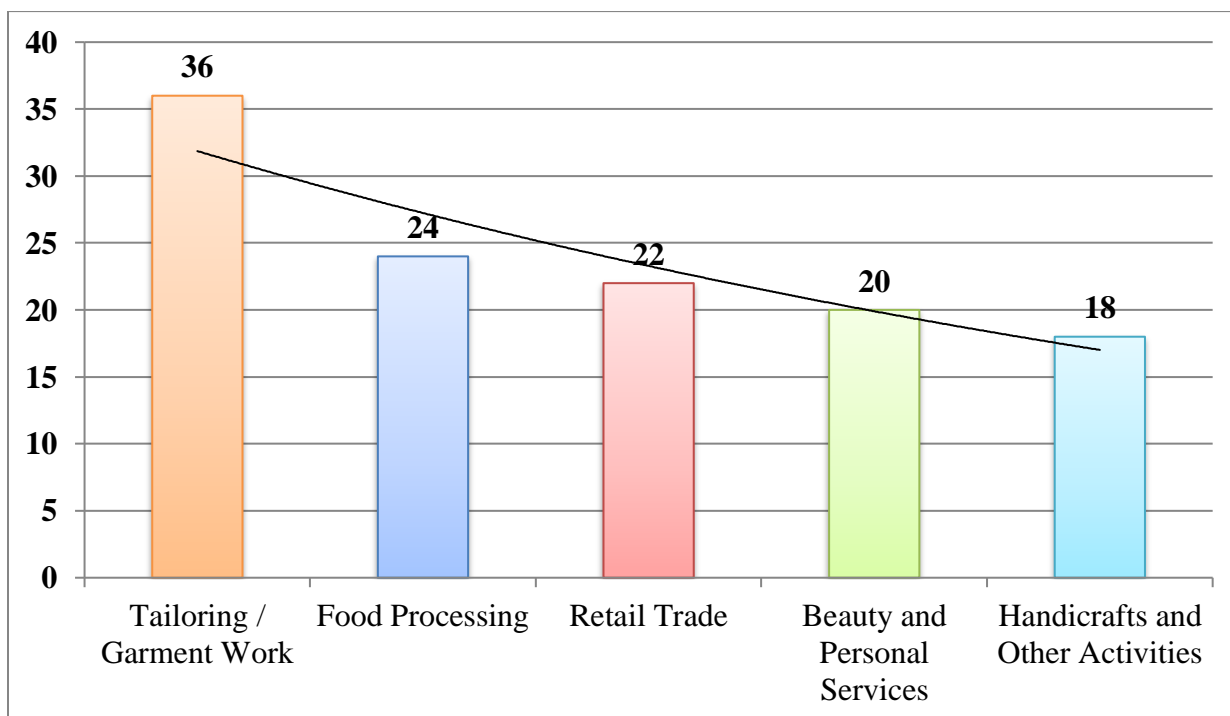


Fig. 1: Distribution of Women Entrepreneurs by Type of MSME Activities in Gaya District



5.2 Educational Background of Women Entrepreneurs

Education plays an important role in building confidence and improving business management skills. The results indicate that a large number of women entrepreneurs have completed secondary or higher secondary education, while a smaller proportion has obtained higher education.

Table No.2: Educational Background of Women Entrepreneurs

Educational Level	Number of Respondents	Percentage (%)
Primary Education	26	21.7
Secondary Education	44	36.7
Higher Secondary Education	32	26.6
Graduate and Above	18	15.0
Total	120	100.0

Sources: Primary Data

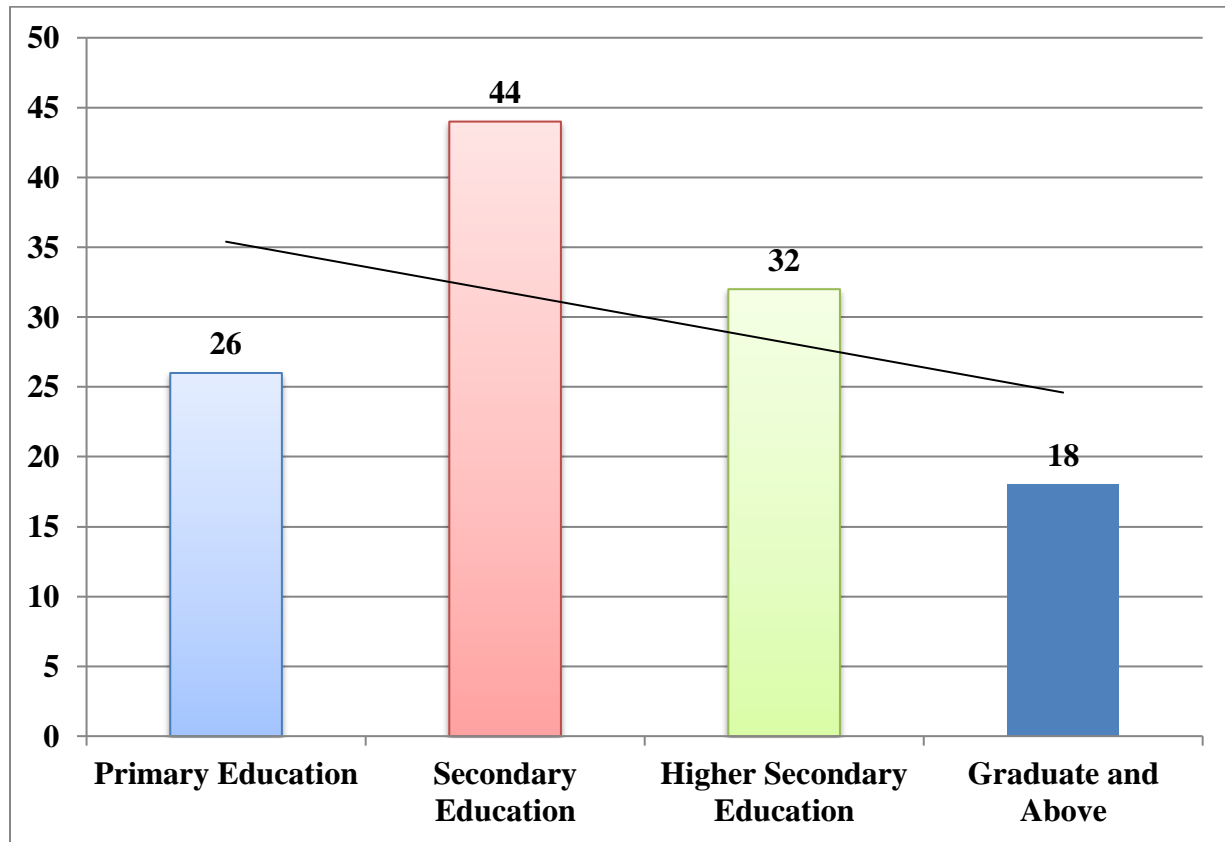


Fig. 2: Educational Background of Women Entrepreneurs in Gaya District.

The findings suggest that even women with moderate levels of education are able to establish and manage small enterprises.

5.3 Sources of Finance

Financial resources are essential for starting and expanding a business. The study shows that many women entrepreneurs rely mainly on personal savings and financial assistance from family members. Some respondents also receive support from self-help groups and formal banking institutions.



Table No. 3: Sources of Finance for Women Entrepreneurs

Source of Finance	Number of Respondents	Percentage (%)
Personal Savings	42	35.0
Family Support	30	25.0
Self-Help Group Loans	28	23.3
Bank Loans	20	16.7
Total	120	100.0

Sources: Primary Data

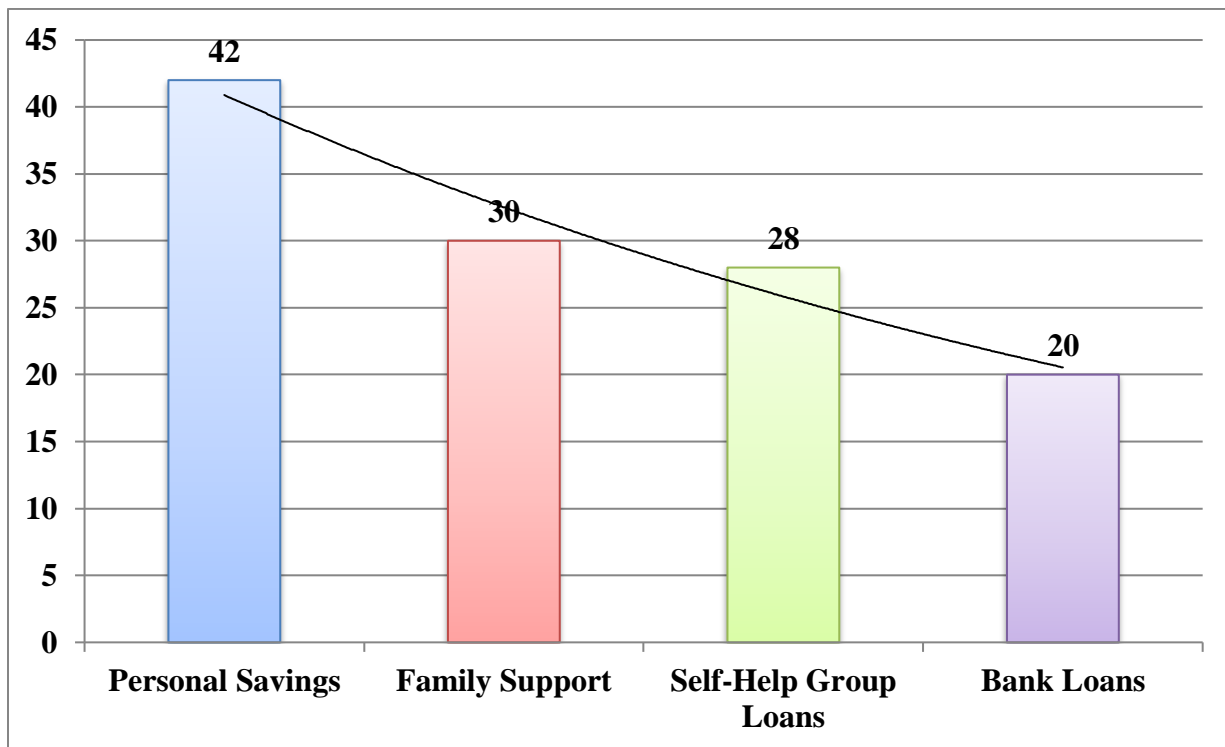


Fig.3: Sources of Finance for Women Entrepreneurs in Gaya District

These findings indicate that informal sources of finance still play an important role in supporting women entrepreneurs in the district.



5.4 Employment Generation by Women-Led MSMEs

Women-owned enterprises also contribute to employment generation at the local level. Many of these enterprises employ family members as well as other workers from the community.

Table No. 4: Employment Generated by Women-Led MSMEs

Number of Workers Employed	Number of Enterprises	Percentage (%)
Self-employed only	34	28.3
1–2 Workers	46	38.3
3–5 Workers	28	23.4
More than 5 Workers	12	10.0
Total	120	100.0

Sources: Primary Data



Fig.4: Employment Generated by Women-Led MSMEs in Gaya District



The table 4 shows that most enterprises provide employment to one or two workers, indicating that women-led MSMEs create small but meaningful employment opportunities in the local economy.

5.5 Key Challenges in Business Operations

The study also identifies several challenges faced by women entrepreneurs while operating their enterprises. The most frequently reported problems include limited access to finance, restricted market opportunities, lack of business training, and the responsibility of managing both family and business activities.

Table No. 5: Major Challenges Faced by Women Entrepreneurs

Major Challenges	Number of Respondents	Percentage (%)
Lack of Finance	38	31.7
Limited Market Access	28	23.3
Lack of Business Training	24	20.0
Family Responsibilities	18	15.0
Other Difficulties	12	10.0
Total	120	100.0

Sources: Primary Data

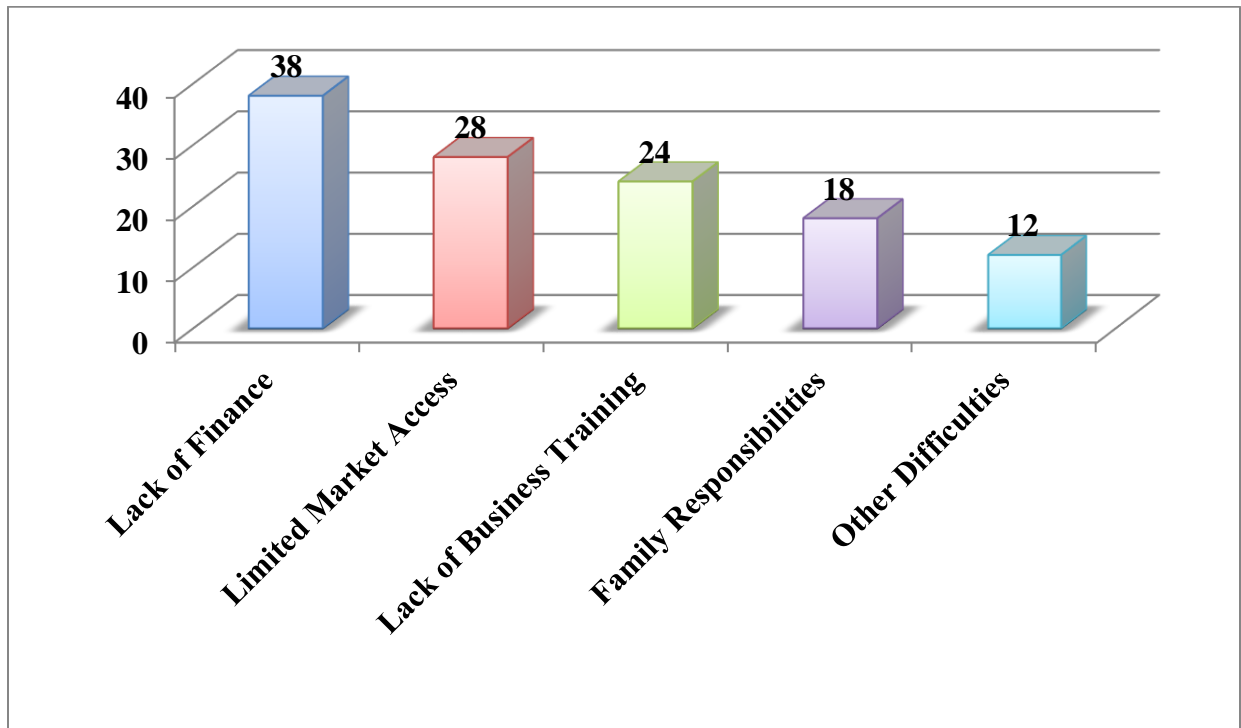


Fig. 5: Major Challenges Faced by Women Entrepreneurs in MSMEs in Gaya District

Overall, the results show that women entrepreneurs in Gaya district are actively participating in MSME activities and contributing to local economic development. However, improved access to financial resources, skill development programs, and better market linkages are necessary to strengthen women-led enterprises and support their long-term growth.

6. Conclusion

The findings of the study show that women are actively involved in different types of small business activities such as tailoring, food processing, retail trade, beauty services, and handicrafts. These enterprises are generally small in scale but they play an important role in improving household income and supporting local economic activities. The study also indicates that most women entrepreneurs have basic educational qualifications, mainly at the secondary and higher secondary levels, which help them manage their enterprises.



Financial resources remain a major concern, as many entrepreneurs depend on personal savings, family support, and self-help group loans to start their businesses. Access to formal bank credit is relatively limited.

The findings further reveal that women-led MSMEs contribute to employment generation, as many enterprises provide work opportunities for one or more individuals in the local community. However, women entrepreneurs face several challenges in running their businesses. The most common problems include lack of finance, limited market access, and insufficient business training. In addition, balancing household responsibilities with business activities remains a significant difficulty for many women.

7. Policy Implications and Suggestions

Based on the findings of the study, the following policy implications and suggestions can help strengthen women-led MSMEs in Gaya district:

- 1. Improved Financial Support:** Financial institutions should provide easier access to credit for women entrepreneurs through simplified loan procedures, low-interest loans, and collateral-free credit schemes.
- 2. Strengthening Self-Help Groups:** Stronger linkages between banks and self-help groups can help women obtain financial assistance and start or expand their enterprises.
- 3. Entrepreneurship Training Programs:** Regular training programs should be organized at the district and block levels to develop entrepreneurial skills among women. Training should include business management, financial planning, and product development.
- 4. Skill Development and Capacity Building:** Women entrepreneurs should be provided training in areas such as bookkeeping, packaging, quality improvement, and digital payment systems to improve business performance.
- 5. Improved Market Access:** Government agencies and local organizations should organize trade fairs, exhibitions, and local markets to help women entrepreneurs promote and sell their products.



- 6. Promotion of Digital Platforms:** Training in digital marketing, social media promotion, and online selling platforms can help women entrepreneurs reach wider markets and increase their income.
- 7. Awareness of Government Schemes:** Awareness programs should be conducted to inform women entrepreneurs about government schemes and financial support available for MSMEs.
- 8. Strengthening Institutional Support:** Better coordination between government departments, banks, and local development agencies is necessary to ensure effective support for women entrepreneurs.

These policy measures can improve the growth and sustainability of women-led MSMEs and enhance their contribution to local economic development.

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