International Journal of Engineering Research & Technology (IJERT)
ISSN: 2278-0181
Vol. 14, Issue 11, CONFLUENCE - 2026

Women and Social Entrepreneurship: Enabling Inclusive and Sustainable Development through Community-Driven Enterprises

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Abstract - Women's social entrepreneurship has emerged as an important means of addressing social and economic challenges while promoting inclusive growth. By combining income generation with community benefit, women social entrepreneurs create ventures that improve livelihoods, expand access to essential services, and strengthen local ecosystems. This review paper examines the role of women in social entrepreneurship and the factors that shape the growth and sustainability of their ventures. Drawing on existing literature, published reports, and secondary sources, the paper discusses key enablers such as access to microfinance, digital tools, mentorship, and supportive policy frameworks. It also examines persistent barriers, including limited access to capital, socio-cultural constraints, and skill gaps. The paper further explores how digital technologies and fintech-enabled platforms are widening market access and financial inclusion for women-led enterprises. By synthesising these perspectives, the study offers an integrated view of the opportunities and challenges facing women social entrepreneurs and proposes a conceptual framework linking enablers, barriers, and social impact to guide future empirical research. The paper also suggests practical implications for policymakers, incubators, and financial institutions seeking to support women-led social ventures, in line with the conference theme of Business Innovation, Entrepreneurship and Digital Finance. The discussion is organised around four dimensions: financial access, digital capability, institutional support, and social context.

Keywords
Women Entrepreneurship; Social Entrepreneurship; Financial Inclusion; Digital Finance; Inclusive Growth

1. Introduction

Women's entrepreneurship is increasingly recognised in India as a driver of economic growth and social empowerment [2]. This paper looks at women's social entrepreneurship through evidence from the State of Karnataka. When women build enterprises that earn a livelihood

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ISSN: 2278-0181
Vol. 14, Issue 11, CONFLUENCE - 2026

and at the same time meet a community need, such as access to credit, skills, food or local employment, their ventures start to resemble social enterprises. Income for the entrepreneur and benefit for the community are then pursued together rather than one after the other.

Karnataka offers a useful setting. The State combines a visible start-up ecosystem in Bengaluru with rural and semi-urban districts where Self-Help Groups (SHGs), microfinance and small enterprises are central to women's economic life. Karnataka-based research has examined women entrepreneurs in MSMEs [1], the success factors of women-owned enterprises [2], the challenges faced in Shimoga [3], [4], financial inclusion in North Karnataka [5], [6], FinTech-enabled microfinance and SHG digitalisation in Hassan and Bengaluru [7], [9], and women-led micro enterprises in Hassan [10]. However, these studies are scattered across journals and conference proceedings, and most speak of women's entrepreneurship or empowerment rather than social entrepreneurship as such.

This paper therefore reviews the Karnataka-based evidence and reads it through the lens of social entrepreneurship. It follows the conference theme of Business Innovation, Entrepreneurship and Digital Finance and the sub-theme of Women and Social Entrepreneurship.

1.1 Objectives of the paper

1. To explain women's social entrepreneurship and its relevance to inclusive development.
2. To review Karnataka-based studies on the enablers of women-led enterprises.
3. To identify the main barriers reported in these studies.
4. To examine the role of financial inclusion, digital finance and FinTech.
5. To propose a conceptual framework and practical implications for policymakers, incubators and financial institutions.

2. Conceptual Background

2.1 Social entrepreneurship

Social entrepreneurship is commonly understood as the creation of ventures whose central purpose is to solve a social or community problem while staying financially viable. It differs from a purely commercial venture because social value is part of the mission and not a by-product, and it differs from charity because the venture earns revenue and aims to sustain itself. For women, this model can be attractive because it allows them to use local knowledge, community trust and group-based organisation to serve needs that larger firms often overlook.

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Vol. 14, Issue 11, CONFLUENCE - 2026

2.2 Women's entrepreneurship in Karnataka

Karnataka-based studies describe women entrepreneurs working mainly in micro, small and medium enterprises [1] across many sectors, including food processing, dairy, tailoring, handicrafts and retail and services [10]. Their success is shaped by financial, human and social resources [2], by personal entrepreneurial ability [1], and by the wider environment of finance and institutions [3], [6]. Women's enterprises are therefore not only individual efforts. They are embedded in households, groups and public institutions.

2.3 Self-Help Groups as a bridge to social enterprise

SHGs are groups of women who save together, lend to members and link to banks and development agencies. Karnataka studies treat SHGs as a main channel through which women reach credit, savings and, increasingly, digital financial services [5], [7], [8], and as a place where women gain confidence and a voice in the community [10], [11]. In this paper, SHG-based units, micro enterprises and community enterprises run by women are treated as practical forms of women-led social enterprise because they combine income generation with collective benefit. This is an analytical choice of this review and not a classification used by the underlying studies.

2.4 Digital finance and financial inclusion

Financial inclusion refers to the availability of affordable and usable financial services such as accounts, credit, savings and payments, and digital finance extends these through mobile and online channels. Recent Karnataka research links financial inclusion, supported by digital platforms and financial literacy, to women's empowerment [5] and to entrepreneurial engagement [6], which makes digital finance directly relevant to this conference theme.

3. Research Methodology

This is a conceptual and review-based paper built on secondary sources. A purposive search was carried out using Google Scholar, publisher platforms (Atlantis Press, SCITEPRESS, Inderscience, Granthaalayah), the archive of a regional journal (JNNCE Journal of Engineering and Management), an institutional repository and the web page of a State government corporation. The search terms combined women entrepreneurs, social entrepreneurship, Self-Help Groups, financial inclusion, FinTech and Karnataka.

Sources were included if (i) the study setting or sample was in Karnataka, (ii) the focus was women entrepreneurs, women's SHGs, financial inclusion or institutional support for women's enterprises, and (iii) the work was published mainly between 2020 and 2026. Studies set outside Karnataka were excluded so that the review stays specific to the State. Twelve sources

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Vol. 14, Issue 11, CONFLUENCE - 2026

met these criteria. They were read, summarised in Table 1, and grouped into themes: enablers, barriers, institutional support and digital finance. The review does not re-analyse any primary data.

Table 1. Karnataka-based sources reviewed

Ref.	Setting	Sample / source	Focus and main finding reported
[1]	Karnataka MSMEs	427 women entrepreneurs (survey)	Entrepreneurial ability; perceived business performance significantly influences entrepreneurial ability.
[2]	Karnataka State	125 women entrepreneurs	Financial, human and social capital; financial capital had the strongest effect on success, then human capital, then social capital.
[3]	Shimoga district	100 women entrepreneurs (random sampling)	Challenges: 65% reported difficulty securing finance, 70% cited cultural expectations, 55% lacked mentorship, and only 40% found incentives adequate.
[4]	Shimoga taluk	115 women respondents (random sampling)	Awareness of banking services; active participation in banking helps women manage risk and savings.
[5]	Belagavi and Hubli-Dharwad	150 women (SHG, MFI and PMJDY account holders)	Financial inclusion strongly related to empowerment ($r = 0.69$); bank access, credit and digital finance all significant; digital illiteracy and low awareness remain.
[6]	North Karnataka	Entrepreneurs (empirical study)	Financial inclusion, with digital platforms and financial literacy, correlates with entrepreneurial engagement and growth intentions.
[7]	Hassan district	384 SHG women (purposive sampling)	FinTech adoption was the strongest predictor of empowerment; digital literacy strengthened its effect.
[8]	Bengaluru Rural	80 rural women (convenience sampling)	SHGs were the most accessible financial service (46%); half were unaware of financial literacy; lack of knowledge was the top fintech issue.
[9]	Bengaluru	115 SHG women (stratified sampling)	About 54% agreed that SHG digitalisation helped empowerment; digital literacy gaps remain.
[10]	Hassan district	Exploratory district-level study	Women-led micro enterprises, SHGs, support institutions and challenges; sample size not reported by the study.
[11]	Hoskote, Jamkhandi, Kolar	300 women from 30 SHGs	Improvement in economic, social, familial and political status after joining SHGs.
[12]	Karnataka State	KSWDC (state corporation)	Institutional support: Udyogini scheme, training, exhibitions, interest subsidy.

Source: compiled by the authors from the cited works.

4. Review of Evidence from Karnataka

4.1 Financial capital and access to finance

Finance is the most consistent theme. In a study of 125 women entrepreneurs in Karnataka, financial capital had the strongest effect on success, ahead of human capital and social capital [2]. In Shimoga district, 65% of 100 women entrepreneurs reported difficulty in securing financial support, and many said banks asked for collateral they could not provide [3]. The same study found a significant association between owning physical assets and having access

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Vol. 14, Issue 11, CONFLUENCE - 2026

to capital [3]. A Hassan district study likewise lists lack of collateral, complex documentation and limited financial literacy among the barriers to credit [10]. For women who start small, limited assets make borrowing hard, so access to finance shapes whether a venture can start, grow and survive.

4.2 Human capital and entrepreneurial ability

Human capital, meaning education, skills and experience, ranks second in the success-factor study [2]. A survey of 427 women entrepreneurs in Karnataka's MSMEs found that perceived business performance significantly influences entrepreneurial ability, and linked ability with traits such as motivation, self-efficacy and alertness [1]. In Shimoga, 60% of respondents had limited business education, which the author connects with lower confidence and competitiveness [3]. Skills and confidence are therefore not fixed. They are built through training, experience and early success, which gives training institutions and incubators a clear role.

4.3 Social capital, family and social norms

Social capital, including networks and family support, had the smallest measured effect in the 125-woman sample [2]. This should be read with care, because it may reflect the sample or the way social capital was measured. Other evidence points the other way: 70% of the women in Shimoga cited cultural expectations as a major barrier, 55% reported a lack of mentorship and networking, and 80% reported difficulty balancing work and family [3]. For social entrepreneurship, where trust and community ties are the main resource, this area needs more direct study.

4.4 Institutional support and Self-Help Groups

Public institutions are visible in the Karnataka picture. The Karnataka State Women Development Corporation (KSWDC), set up in 1987, runs the Udyogini scheme and offers training, exhibitions and an interest subsidy scheme [12]. The Hassan study describes KSRLPS (Sanjeevini) as organising SHGs, providing entrepreneurship training, facilitating market linkages and supporting digital financial inclusion, and NABARD as supporting the SHG-Bank Linkage Programme [10]. SHGs are the most accessible financial service for rural women in Bengaluru Rural, named by 46% of 80 respondents [8]. In three rural project sites (Hoskote, Jamkhandi and Kolar), 300 SHG women reported better economic, social, familial and political status after joining [11]. These institutions matter because they lower the cost and risk of starting a venture and let women act collectively.

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ISSN: 2278-0181
Vol. 14, Issue 11, CONFLUENCE - 2026

4.5 Financial inclusion, digital finance and FinTech

Several recent studies connect financial inclusion with women's outcomes. In Shimoga taluk, a survey of 115 women found that active participation in banking helps women control risk and improve savings [4]. In Belagavi and Hubli-Dharwad, a study of 150 women found a strong relationship between financial inclusion and empowerment ($r = 0.69$), with formal banking access, credit access and digital finance each significant; only 57% used digital finance and 52% had credit access [5]. In North Karnataka, greater financial inclusion, supported by digital platforms and financial literacy, was linked to entrepreneurial engagement, better business decisions and growth intentions [6].

The Hassan study of 384 SHG women found FinTech adoption to be the strongest predictor of empowerment, with digital literacy adding to it and strengthening its effect [7]. In Bengaluru, about 54% of 115 SHG women agreed that digitalisation of SHGs helped empowerment, while digital literacy remained a gap [9]. Together, the studies suggest that digital finance helps most when paired with literacy and group support. Technology alone may not reach women who are unfamiliar with it.

4.6 Barriers reported

Three groups of barriers recur. First, financial barriers: limited capital and assets, collateral demands and difficulty securing finance [2], [3], [10]. Second, socio-cultural barriers: cultural expectations, family responsibilities and limited networks [3], [5]. Third, skill, awareness and technology barriers: in Bengaluru Rural, lack of knowledge (44%), poor connectivity (28%) and lack of training (19%) were the main problems in fintech transactions, and half of the women were unaware of financial literacy [8]. The Hassan study adds marketing constraints, technology gaps, weak infrastructure and limited managerial skills [10]. Because these barriers reinforce each other, a single intervention is unlikely to be enough.

4.7 The social entrepreneurship lens

Most sources measure success through business performance, financial inclusion or empowerment. These are individual-level outcomes, and they matter, because a woman who earns, saves and decides for herself changes her household's position. Social entrepreneurship also asks whether a venture benefits the wider community. The Hassan study notes that tailoring units employ assistant tailors, food processing units engage local women for packaging and marketing, and dairy enterprises create jobs in milk collection [10]. It also describes SHGs as forums where women discuss health, nutrition, sanitation and children's

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Vol. 14, Issue 11, CONFLUENCE - 2026

education [10]. Direct measurement of community-level impact is rare in the literature reviewed, and this is the clearest gap that the framework below tries to address.

4.8 Synthesis across themes

Table 2 brings the themes together. They are linked rather than separate. Finance without skills may not be used well, skills without finance may not become a venture, and digital tools without literacy may leave out the women who need them most. Almost every theme also has an institutional or group-based answer, whether through KSWDC schemes, KSRLPS, SHGs or bank linkages, which suggests that collective and supported models suit women with limited assets.

Table 2. Thematic synthesis of the Karnataka evidence

Theme	What the Karnataka evidence shows	Implication for women-led social ventures
Finance	Financial capital has the strongest effect on success [2]; most women in Shimoga report difficulty securing finance [3]; collateral is a recurring hurdle [10].	Collateral-light credit and SHG-linked loans can unlock start-up and growth.
Capability	Entrepreneurial ability and human capital drive performance [1], [2]; 60% in Shimoga had limited business education [3].	Training, mentoring and business education should accompany funding.
Social context	Social capital had a smaller measured effect [2]; cultural expectations are a major barrier [3].	Community and family support must be built, not assumed.
Institutions and SHGs	KSWDC and KSRLPS offer training and support [10], [12]; SHGs are the most accessible finance channel [8] and improve women's status [11].	Group-based models lower risk and extend reach to rural women.
Digital finance	Financial inclusion links to empowerment [5] and entrepreneurship [6]; FinTech works best with digital literacy [7], [9].	Pair digital tools with literacy training, connectivity and simple design.

Source: compiled by the authors from the cited works.

5. Discussion and Conceptual Framework

Three patterns stand out. First, finance comes first: nearly every study places access to finance, formal or group-based, at the centre of women's enterprise outcomes [2], [3], [5]. Second, capability matters as much as capital: human capital and entrepreneurial ability [1], [2], together with financial and digital literacy [7], [8], [9], decide whether women can use the resources they are offered. Third, institutions and groups act as multipliers: KSWDC schemes [12] and SHGs [8], [11] give women access to credit, training and collective strength.

On this basis, Figure 1 proposes a conceptual framework. Enablers (financial, human and social capital) and institutional and digital support lead to women-led social ventures, while barriers act against them. Where ventures succeed, they generate social impact in the form of household

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Vol. 14, Issue 11, CONFLUENCE - 2026

income, financial independence, empowerment and community benefit, and, over time, they gain scale and sustainability. The framework is conceptual and is proposed for testing in future empirical work.

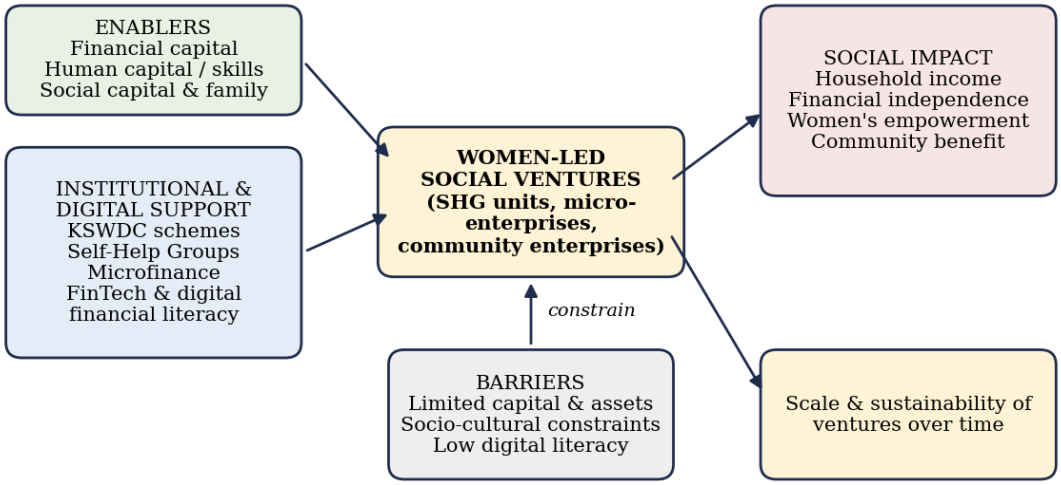


Figure 1. Conceptual framework of women-led social ventures in Karnataka (proposed by the authors)

The framework generates the following propositions for future research:

P1. Better access to finance, formal or through SHGs, is positively associated with the growth of women-led social ventures.

P2. Training and entrepreneurial ability strengthen the effect of finance on venture performance.

P3. Digital financial services improve venture outcomes more when digital and financial literacy are present.

P4. Institutional support, such as the schemes of KSWDC and KSRLPS, reduces the effect of financial and skill barriers.

P5. Strong community networks and family support improve the social impact of women-led ventures.

6. Implications

For policymakers: Schemes work only if women know about them and can use them. Public agencies such as KSWDC and KSRLPS could combine finance with training and digital literacy, and use SHGs as the delivery channel, since SHGs are already the most accessible finance route for many rural women [8], [10], [12].

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Vol. 14, Issue 11, CONFLUENCE - 2026

For incubators and educational institutions: Programmes should build business skills and confidence [1], [3], and give specific attention to women's ventures with a social purpose, which may need patient, mission-aligned support rather than fast-growth advice.

For banks and FinTech providers: Digital products with simple interfaces, local language support and financial education are more likely to be used [5], [7], [9]. Collateral-light lending for women with few assets can answer the capital barrier reported in the Karnataka studies [3], [10], and better connectivity and training can reduce fintech problems [8].

For researchers: Future studies should measure community-level social impact directly instead of treating women's entrepreneurship and social entrepreneurship as the same thing.

7. Limitations and Future Research

This review is restricted to Karnataka, covers a small purposive set of sources, and depends on what each study chose to report. Most sources examine women's entrepreneurship, financial inclusion or empowerment, and few address social entrepreneurship directly, so the social-entrepreneurship reading is an interpretation. Several sources are conference papers or regional journal articles whose methods vary in strength, and some report convenience or purposive samples, and one does not report its sample size [10]. Future work could survey women-led social enterprises and SHG-based units directly, compare regions within Karnataka (for example Bengaluru, North Karnataka and coastal districts), and test the propositions in Section 5 with primary data.

8. Conclusion

Karnataka's experience shows that women-led enterprises, many of them close to social enterprises in spirit, depend on a mix of finance, skills, social support and institutions. Access to finance is the most consistent factor, and digital finance offers new opportunities when paired with financial and digital literacy. Barriers of capital, social norms and skills remain, and they reinforce one another. By bringing scattered Karnataka evidence into one framework, this paper offers a starting point for researchers and a practical guide for policymakers, incubators and financial institutions who wish to support inclusive and sustainable women-led social ventures.

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