

# Promoting Empowerment of Women and Women's Entrepreneurship in Developing Countries: Role of Cooperatives initiative in India

Dr. Shilpi Kavita

Assistant Professor, Department of Economics  
Xavier's University, Patna, India

Ravi Shekhar

Faculty  
Deep Narayan Singh Regional Institute of  
Co-operative Management

**Abstract**—Women's empowerment and entrepreneurship are widely recognized as imperative drivers for inclusive and sustainable development, in particular for developing economies. In the Indian context, where women continue to face asymmetry in economic, social, and institutional spheres, cooperative institutions have emerged as effective mechanisms for enhancing women's participation in economic activities. This paper situates an exploration of how cooperative initiatives contribute to the empowerment of women and encourage entrepreneurial growth in rural and semi-urban regions of India. A mixed-method research design has been used in this study, blending quantitative analysis with qualitative case studies to capture not just the measurable outcomes but also lived experiences. The results show that women's cooperatives are no longer just vehicles for economic empowerments, but also instruments for social transformation. There have been some established links between participating in cooperatives and enhanced confidence levels, leadership, and contributions to community participation. This has led to overcoming stereotypes between women's roles in society, particularly when it comes to contributing to the family. Additionally, through the shared ownership of cooperatives, women are empowered to collaborate with each other, which helps them negotiate better economic and social outcomes. Policy recommendations that come out of the research emphasize the importance of improving institutional support, access to finance, and the incorporation of gender approaches in the management of cooperatives. Based on the emphasis on the intersection of gender, development, and collective entrepreneurship, this paper contributes significantly to the discourse on inclusive development with a special emphasis on the potential of cooperatives as a means of sustainable and inclusive development for women empowerment and entrepreneurship in India and other developing countries.

**Keywords:** Women Empowerment, entrepreneurship, cooperatives

## I. INTRODUCTION

The role of cooperatives is very transformative in empowering women and promoting women's entrepreneurship, as they have a big role to play in developing countries like India, primarily focusing on rural women in societies across the country. Developing a cooperative would offer opportunities for women to overcome obstacles and gain empowerment for better participation in developing their societies. The empowerment of women has emerged as a primary goal of

development policies and economic development strategies all over the world. Empowerment, by definition, may be viewed as a process by which women become empowered to make appropriate decisions and effectively contribute to economic and social developments. In many developing nations like India, women still encounter many barriers at various levels. In contemporary contexts, entrepreneurship has emerged as a key avenue that can improve women's economic empowerment/independence and social status. However, women entrepreneurs face a number of challenges, such as lack of start-up capital, lack of access to markets, lack of skills in business, and lack of networking opportunities. This is more visible in rural areas and semi-urban areas, which are in a nascent stage of development. India enjoys the distinction of harboring one of the largest and most diversified forms of the cooperative movement anywhere in the globe. The variety of sectors where cooperatives are functional includes agriculture, dairy, fisheries, handloom, handicrafts, housing, etc. It is therefore interesting to note the relevance of the cooperative system with regard to the concept of economic exclusion, as the system is democratic, takes the concept of association very seriously, and denotes a feeling of sharing. India is witnessing the emergence of women-focused cooperatives with the help of self-help groups, which is a new tool to promote women's entrepreneurship.

## II. LITERATURE REVIEW

Cooperatives in India, women's specifically, have been recognized as great institutional mechanisms for ensuring economic empowerment and entrepreneurship. This recognition stems from rural and semi-urban areas where gender-based disparity affects the resourcing and advent of women to opportunities. Cooperatives make it possible for women to break down some of these structural barriers by facilitating access to finance, skills, markets, and even collective decision-making platforms. Various literatures bring out the role of women-centric cooperative institutions in complementing financial inclusion with entrepreneurial capacity. In the research on SEWA, one finds cooperative-based microfinance, market linkages, and skill development initiatives which helped millions

of their women members working in the informal sector to transition towards sustainable income-generating enterprises. The SEWA model, where women's work is formalized within a cooperative framework, has been remarkably successful in providing income stability, improving bargaining power in local markets, and other benefits.

"Amul, a cooperative in India's dairy industry, serves as a shining example of women's economic empowerment in India. In this regard, ever since the 1970s, dairy cooperatives have helped women in rural areas participate in formal milk chains, resulting in improved income security, employment creation, and poverty alleviation (Shah, 2016)." Moreover, the cooperative banking approach employed by Mann Deshi Foundation in Maharashtra, India, has helped empower women entrepreneurs in the region. The organization has helped create women entrepreneurs through specialized financial instruments, benefiting over 200,000 women entrepreneurs in sectors such as agriculture, tailoring, and trading, as suggested by the World Economic Forum (2020). The results are consistent with the economic theories of modernity and empowerment; these theories focus on the idea that women's empowerment is closely related to the ability to access productive resources and possess financial independence (Kabeer, 1999). Besides economic benefits, there are significant contributions to social or psychological empowerment. Evidence of involvement in cooperative structures leading to improvements in levels of confidence, leadership, and civic participation has been documented. For example, the Community Development Journal carried out a study which found that, in India, the women who were part of the dairy cooperatives showed a sense of control in family decision-making processes compared to those who did not belong to cooperatives (Datta Gailey, 2012).

Mutual support/solidarity, which forms one of the fundamental bases of cooperative working, helps women to bargain on a collective basis to access better education, healthcare facilities, etc. Empirical studies based on Gokul dairy cooperatives state that almost 84 percent of the women members observed an improvement in social status/visibility among the rural communities owing to membership of these cooperatives (Patil, 2020). Such a collective bargain helps women to come out of patriarchal societal norms and rebuild gender roles altogether. Recent literature proposes innovative approaches to scale the impact of women's cooperatives. Cluster-based cooperative models integrating skill hubs, digital platforms, and e-commerce linkages are increasingly viewed as viable strategies for enhancing competitiveness and sustainability (Deiningner et al., 2020). Studies published in Social Policy Administration stress the need for stronger institutional support and policy reforms to fully harness the potential of cooperatives as instruments of inclusive growth in developing economies (Horner, 2019).

### III. OBJECTIVES OF THE STUDY

- To examine the role of cooperative initiatives in promoting women's entrepreneurship in India.

- To identify institutional and policy challenges faced by women-led cooperative enterprises.
- To propose policy measures for strengthening cooperative frameworks aimed at women's empowerment.

### IV. RESEARCH METHODOLOGY

The present study is an exploratory one and aims to pave the path for an empirical study. The study is descriptive in nature. For this purpose, secondary data has been collected meticulously from a variety of sources. Determinate data has been collected in the following forms: the data has been culled from reliable sources like news papers, magazines, books, journals, conferences, government reports, and official website. The using and selection of secondary data create an excellent platform for analyzing trends and patterns on a national as well as a state level.

### V. DATA ANALYSIS AND INTERPRETATION

Available data indicate a steady increase in women's participation within the cooperative sector in India. Women account for more than 30 percent of cooperative members nationwide, with particularly strong representation in dairy, handloom, handicrafts, and microfinance cooperatives. The expansion of self-help group-linked cooperative models has further strengthened women's engagement, especially in rural areas. Currently, approximately 1.2 lakh women-only cooperatives are operational across the country.

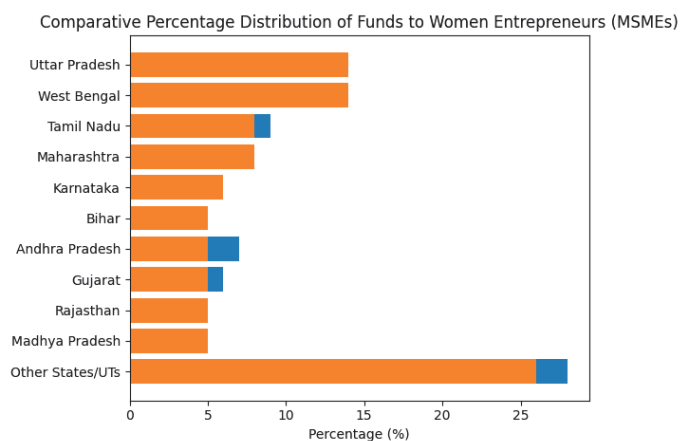


Fig. 1: Comparative Percentage Distribution of Funds to Women Entrepreneurs (MSMEs) by Cooperatives (Source: Government of India, 2022).

Access to institutional finance has been a major factor contributing to women's entrepreneurial growth. Cooperative-linked self-help groups have mobilized substantial credit for women entrepreneurs, reducing dependence on informal sources of borrowing and enabling investment in small-scale enterprises.

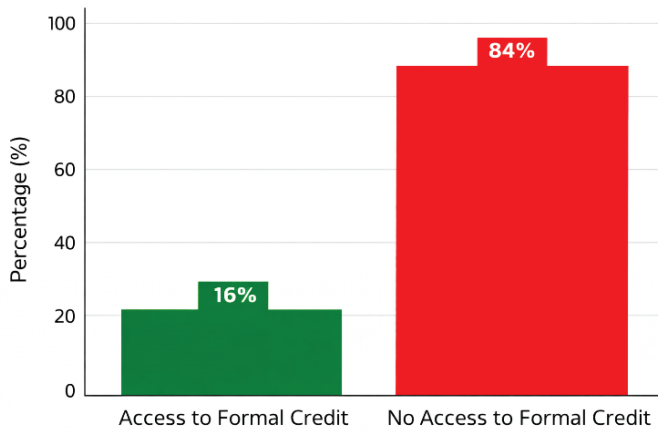


Fig. 2: Access to Formal Credit to Women Entrepreneurs through Cooperative Institutions (Source: Ministry of Cooperation, PIB Delhi, 2023).

Capacity-building initiatives have also expanded in recent years. Training data from the National Council for Cooperative Training indicate a consistent rise in women’s participation in cooperative training programs.

TABLE I: Participation of Women in Cooperative Training Programs (NCCT)

Year	Total Participants	Women Participants	Percentage of Women
2020–21	40,288	8,875	22.02
2021–22	62,774	15,309	24.38
2022–23	2,01,507	77,584	38.50

State-level initiatives further illustrate the impact of cooperatives. Programs such as JEEViKA in Bihar have supported women-led enterprises in dairy, food processing, handicrafts, and agri-based activities, contributing to income diversification and livelihood security.

## VI. FINDINGS AND DISCUSSION

The results imply that cooperatives constitute effective institutions for promoting women’s entrepreneurship and empowerment. The cooperatives are instrumental in addressing the structural obstacles that affect women’s entrepreneurship by offering access to finance, training, and markets. The collaborative nature of cooperatives reduces risks for the members, hence empowering the women to venture into entrepreneurial activities. Besides, the democratic governance structure of cooperatives gives opportunities to women to actively take part in leadership positions. This not only boosts self-confidence among women, but it is also likely to alter social relationships. Further, more women-only cooperatives have emerged, indicating the rising relevance of the collective enterprise approach to development that is gender-inclusive. As regards social empowerment, the study finds significant progress on women’s self-confidence, leadership ability, and mobility. Group involvement in CO meetings helps

to promote a sense of solidarity, supplying each member with the support of others—a concept described as social capital. Kudumbashree’s, SEWA’s, and Lijjat’s experiences highlight the ability of long-term involvement in such cooperative groups to influence gender roles by normalizing women’s participation in the public domain. This supports the idea of the relational nature of empowerment, suggesting that it goes beyond the scope of merely economic improvement. The results also show significant gains in political empowerment, especially for women’s representation in cooperative governance. The provisions of the revised Multi-State Cooperative Societies Act and the representation of women in Primary Agricultural Credit Societies and federations have enabled the active involvement of women in the decision-making process. The implication of the involvement of women in cooperatives is that the involvement also translates to the governance of their respective communities. It is arguable that the cooperatives function as a place for the preparation of individuals for further democratic involvement. Nevertheless, as is seen from this discussion, there are limitations that also hinder and hold back the empowerment potential of cooperatives. The cultural factors that limit women’s mobility, lack of access to credit among many, lack of digital literacy, and lack of good governance are just a few limitations that indicate that though being a member of a cooperative is important, it is not enough in itself. Overall, the significance of the reported findings is that they emphasize that women-led or women-based cooperatives are not only economic structures but also empowerment mechanisms that are multi-dimensional in their scope. In connection to this, the discussion also offers a background rationale for the asserted conclusion that cooperatives are a powerful tool for the empowerment of women not only in India but also in any other emerging economy. The Ministry of Cooperation has amended the Multi-State Cooperative Societies Act to reserve seats for women on cooperative boards, ensuring their representation and decision-making power across over 1,550 Multi-State Cooperatives. The government has further prioritized the establishment of women-specific cooperatives at the Panchayat level, fostering grassroots empowerment and economic independence.

## VII. POLICY IMPLICATIONS AND SUGGESTIONS

These results point to the need for an enabling policy and institutional environment if the full potential of cooperatives as instruments of women’s economic empowerment is to be realized. This, despite the fact that cooperatives have indeed provided key benefits relating to income generation, financial inclusion, and social empowerment; targeted and well-coordinated policy interventions can also substantially enhance their impact. Government departments and cooperative promotion bodies should extend focused support to women-centered cooperatives by

way of simplifying the processes of registration, undertaking audit in time, and providing advisory support on governance, compliance, and business planning issues. Establishment of special cooperative cells or support units at the district and state levels will go a long way in removing operational bottlenecks of women-led cooperatives. Continuous capacity-building programs are very much required to develop the managerial and entrepreneurial skills of women members. Emphasis needs to be placed on regular training programs on topics like financial management, computer knowledge, marketing, quality control, etc. Such training programs could be organized with the help of universities, training institutions, and non-government organizations. Even though cooperatives can improve access to finance, policy interventions can further improve the linking of credits with banks, Microfinance Institutions, and Development Finance Agencies. The provision of interest subsidies, guarantees, and revolving funds for women's cooperatives can improve finance and enhance investment in productive activities by these women. In addition, digital finance can improve access to banking services for women in these cooperatives. Limited access to markets remains one of the significant issues that many women's cooperatives face. It is recommended that interventions be made to improve infrastructural facilities, storage facilities, transportation, and access to market information for the women's cooperatives. Governments need to encourage and participate by ensuring access and involvement of women's cooperatives in trade fairs, exhibitions, and e-commerce platforms. They also need to integrate them into the local and regional platforms of value chains. Governments also need to implement public procurement policy for women's cooperatives. There should be measures to ensure that women are represented more significantly in leadership positions and decision-making bodies of cooperatives. Training and education for women leaders can be provided to help them take up responsibilities with confidence. It would be important to have good governance within cooperatives. Moreover, economic empowerment initiatives will need to dovetail with efforts to deal with socio-cultural constraints to women's empowerment. This will involve sensitization campaigns, gender-awareness initiatives, family-level engagement, among others. The issue of gender perspectives and the need for gender integration into cooperative policies is also essential for empowering women. Effective empowerment can be achieved through coordination between different stakeholders, which include government departments, cooperative federations, financial institutions, and civil society organizations. There is a need to have a policy that addresses the convergence of schemes in livelihood, skill, and women empowerment areas. Impact assessment of cooperative endeavors also needs to be monitored. On the whole, a modern approach that takes into consideration the lacks in gender policy is very vital in promoting

the role of cooperatives in the empowerment of women economically. This way, there will be no hiccups in the developmental role of cooperatives.

### VIII. CONCLUSION

Such a research study upon reaching a conclusion finds that cooperative efforts are to play a very vital role in promoting women's empowerment and entrepreneurship in India by linking women's economic participation with collective action. Such a cooperative helps women overcome economic, institutional, as well as socio-cultural, barriers while generating incomes for themselves. Thus, the work of the cooperatives is to bring about a social revolution as a whole. To promote women-centered cooperatives as a whole, there is a need to give greater emphasis to women's participation in the governance of the institutions, with the involvement of various departments of the government that align with the SDG agenda, as well as to monitor gender equality indicators such as participation by women in management, asset ownership, and incomes earned by women. Additionally, enabling cooperatives to adapt to market competition, globalization, and technological change, along with promoting awareness through education and entrepreneurship development programs, is essential for their long-term sustainability. However, the study is limited by its reliance on secondary data, which may not fully reflect grassroots-level realities, particularly within the informal sector. Future research could address these gaps by incorporating primary data, adopting sector-specific or region-specific analyses, and examining the role of cooperatives in emerging industries, employment generation, and poverty reduction.

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