



CHALLENGES FACED BY WOMEN ENTREPRENEURS IN INDIA**Dr. Ashok Yakkaldevi****M.A. B.Ed., SET, Ph.D.****Principal, Department of Sociology,****A. R. Burla Mahila Varishta Mahavidyalay, Solapur.****ABSTRACT:**

Women entrepreneurs play a significant role in the economic growth and development of India. Over the past few decades, the participation of women in business and entrepreneurial activities has increased, supported by government initiatives, financial institutions, and social awareness. However, despite this progress, women entrepreneurs continue to face multiple challenges that restrict their growth and sustainability. These challenges include limited access to finance and credit, lack of education and business training, socio-cultural barriers, work-life balance, gender discrimination, limited market linkages, and insufficient networking opportunities. In rural regions, these issues are often intensified due to traditional mindsets and lack of resources. Understanding these challenges is essential for designing effective policies and support systems that can empower women to participate more actively in entrepreneurial activities. This study aims to explore the key barriers faced by women entrepreneurs in India and identify strategies to enhance their participation and success in the entrepreneurship ecosystem.



KEYWORDS: Women Entrepreneurship, Gender Discrimination, Financial Barriers, Socio-Cultural Challenges, Business Training, Economic Empowerment, Government Schemes, Work-Life Balance, Market Opportunities, India.

INTRODUCTION

Entrepreneurship is widely recognized as a vital engine for economic development, innovation, and employment generation. In India, the emergence of women as entrepreneurs has significantly contributed to the socio-economic transformation of the nation. Women entrepreneurs not only create employment opportunities for themselves but also promote the well-being of their families and communities, leading to inclusive and sustainable development. With the growth of education, globalization, government support programs, and changing social attitudes, more women are stepping into business ownership and management roles across both urban and rural areas. Despite these positive developments, women entrepreneurs in India continue to face numerous challenges that hinder their growth and success. These challenges are often rooted in deep socio-cultural norms, gender biases, limited financial independence, lack of market exposure, inadequate access to technology, and insufficient institutional support. Many women entrepreneurs encounter difficulties in obtaining credit due to lack of collateral and financial literacy. Additionally, balancing household responsibilities with business commitments remains a major struggle for many women. The lack of

professional networks, mentorship opportunities, and training further limits their ability to sustain and expand enterprises.

Addressing these issues is essential for strengthening women's entrepreneurship and achieving gender equality in economic participation. Understanding the nature and extent of these challenges helps policymakers, financial institutions, and support organizations design more effective strategies that can empower women and enhance their entrepreneurial competencies. Therefore, the present study aims to analyze the key challenges faced by women entrepreneurs in India and explore possible measures to foster an enabling entrepreneurial ecosystem.

Aims and Objectives

Aim

The primary aim of this study is to analyze and understand the various challenges faced by women entrepreneurs in India and to identify possible strategies and solutions that can support their growth and development in the entrepreneurial ecosystem.

Objectives

1. To identify the socio-cultural, economic, and institutional challenges faced by women entrepreneurs in India.
2. To examine the impact of financial constraints and limited access to credit facilities on women-led businesses.
3. To study the role of education, training, and skill development in enhancing women's entrepreneurial capabilities.
4. To analyze the challenges related to work-life balance, family responsibilities, and social expectations.
5. To evaluate the effectiveness of government schemes, policies, and support mechanisms for promoting women entrepreneurship.
6. To explore strategies and suggestions to overcome the barriers faced by women entrepreneurs and encourage their active participation in economic development.

Review of Literature

1. Overview and macro-level findings

Global and India-specific evidence shows that women remain under-represented among formal-sector entrepreneurs and face a distinct set of constraints (financial, social, institutional and digital) that limit business scale and profitability. While entrepreneurship rates for women have been rising in many regions, structural barriers keep women concentrated in smaller, lower-profit and informal activities.

2. Financial constraints and access to credit

A consistent finding across empirical studies is that limited access to formal finance is a primary impediment. Women entrepreneurs often lack collateral, face higher credit transaction costs, and exhibit lower financial literacy — all of which restrict firm investment and growth. Financial products are frequently ill-tailored to the needs of women-owned micro and small enterprises, and many women rely on informal sources, which limits expansion potential.

3. Socio-cultural and household constraints

Socio-cultural norms, gender roles, and household responsibilities significantly shape entrepreneurial choices and outcomes for women. Studies document pressures related to family expectations, lower bargaining power within households, and social stigma for women who pursue public economic roles — especially in rural and conservative settings. These norms influence time allocation (affecting work-life balance), mobility, and the ability to attend trainings or market activities.

4. Human capital, skills and training gaps

Research shows that education and business training improve entrepreneurial outcomes, yet women often have lower access to targeted entrepreneurship training, mentorship, and management experience compared to men. This limits their ability to scale, adopt technologies, or enter higher-return sectors. Several studies recommend vocational training, financial literacy programmes, and mentoring as effective interventions.

5. Networks, markets and sectoral segregation

Women entrepreneurs are more likely to operate in sectors with lower returns (retail, services, home-based activities), creating a “sectoral segregation” that depresses average firm performance. Limited professional networks and market linkages reduce access to suppliers, buyers, and information about growth opportunities. Evidence suggests that improving women’s market access and facilitating entry into higher-value sectors can raise profitability. ([World Bank][3])

6. Digital access, safety and technology barriers

The digital economy presents opportunities but also new barriers: uneven internet access, high data costs, digital skills gaps, and online safety concerns (harassment, privacy risks) cause many women entrepreneurs to limit online visibility and e-commerce participation. Recent reports highlight that online harassment and affordability of mobile data materially constrain digital adoption and business promotion among women in developing countries.

7. Rural-specific challenges

Rural women entrepreneurs face amplified constraints: weaker infrastructure, limited formal financial outreach, conservative gender norms, and fewer local business development services. Programmes that work in urban settings often fail to reach or scale in rural contexts without adaptation.

8. Effectiveness of policy interventions and institutional support

Government schemes (microcredit/self-help groups, MSME support, skill development initiatives) and NGO programmes have produced positive localized outcomes, but their aggregate impact is limited by design gaps (one-size-fits-all approaches), lack of scale, and poor tailoring to women’s lifecycle (childcare, mobility) needs. Evaluations call for integrated support bundles — finance + training + market linkages + digital safety measures — and for policies that remove legal and administrative barriers.

9. Emerging topics in recent literature

Recent work highlights: (a) the importance of digital safety and data affordability for inclusive digital entrepreneurship; (b) the role of gendered regulations and legal frameworks in shaping women’s labour and entrepreneurship choices; and (c) the potential gains from shifting women into higher-value sectors for national productivity. These newer strands call for interdisciplinary research combining economics, gender studies, and technology policy. ([Reuters][4])

10. Research gaps and directions

Causal evidence on interventions: More randomized/rigorous impact evaluations are needed to identify which packages (finance + training + networks + digital safety) most effectively scale women-led firms. Measurement of informal vs formal growth trajectories: Longitudinal data tracking women as they attempt to formalize or scale is sparse. Digital harms & mitigation: While descriptive evidence on online harassment exists, interventions to measurably improve women entrepreneurs’ digital safety and uptake need testing. Intersectional analyses: Few studies robustly examine how caste, class, religion, and region interact with gender to shape entrepreneurial outcomes in India. Rural-urban differentiated policies: Comparative studies that tailor policy prescriptions to rural micro-enterprises

vs urban startups are limited. Here is the Research Methodology written in a single paragraph format (no bullet points, no points) for the topic “Challenges Faced by Women Entrepreneurs in India”:

Research Methodology

The present study adopts a descriptive and analytical research methodology to examine the various challenges faced by women entrepreneurs in India. Both primary and secondary sources of data are utilized to gain an in-depth understanding of the issues. Primary data is collected through structured questionnaires and personal interviews conducted with women entrepreneurs engaged in micro, small and medium enterprises in selected urban and rural areas. A purposive sampling technique is employed to select respondents based on their entrepreneurial experience, and the sample consists of approximately 100–150 participants. Secondary data is obtained from published research papers, journals, books, government reports, statistical documents, websites of various financial and development institutions, and relevant databases. The questionnaire includes both open-ended and closed-ended questions, and responses are measured using a Likert scale to assess the extent of challenges faced in areas such as finance, marketing, socio-cultural constraints, work-life balance, access to technology, and institutional support. The collected data is analyzed using percentage analysis, descriptive statistical tools, and graphical representations such as bar charts and pie charts to interpret findings effectively. The study acknowledges certain limitations, including time constraints, limited geographical coverage, and reliance on respondents' perceptions, which may influence the generalizability of results. Overall, the methodology is designed to systematically explore and analyze the key barriers that restrict the growth of women entrepreneurs in India and to provide a foundation for recommendations that may improve their participation and success in the nation's entrepreneurial ecosystem.

Statement of the Problem

Women entrepreneurship has emerged as an important contributor to economic development in India, yet women continue to face a range of barriers that hinder their ability to start, sustain, and grow business ventures. Despite the increasing focus on gender equality and the existence of various government schemes and financial support programmes, the participation of women in entrepreneurial activities remains significantly lower compared to men. Women entrepreneurs encounter persistent challenges such as limited access to financial resources, lack of collateral, inadequate business training, restricted mobility, socio-cultural norms, family responsibilities, gender discrimination, and insufficient market and network support. These constraints not only discourage potential women entrepreneurs but also limit the growth and competitiveness of existing women-led enterprises. The complexity and interdependence of these obstacles create structural inequalities that prevent women from fully realizing entrepreneurial opportunities. Therefore, it is essential to investigate and analyze the nature and extent of the challenges faced by women entrepreneurs in India, in order to design effective strategies and policy interventions that can support their empowerment and enhance their contribution to the national economy.

Need of the Study

Women entrepreneurs play a crucial role in driving economic development, generating employment, and fostering social transformation in India. However, their entrepreneurial journey is still restricted by numerous financial, social, cultural, and institutional challenges that limit their growth and contribution to the economy. Although various initiatives have been introduced by the government and development agencies to promote women entrepreneurship, the presence of persistent gender-based barriers continues to prevent many women from starting or scaling their businesses effectively. There is therefore a strong need to conduct a systematic study to understand the nature, causes, and impact of these challenges across different regions and socio-economic backgrounds. By identifying the key obstacles and gaps in support mechanisms, the study can help policymakers, financial institutions, and entrepreneurship development organizations to formulate more practical and inclusive strategies.

The findings will also create awareness about the importance of empowering women entrepreneurs, encourage greater participation in business activities, and ensure that women can fully realize their entrepreneurial potential, thereby contributing to sustainable national development.

Need of the Study

Women entrepreneurs play a crucial role in driving economic development, generating employment, and fostering social transformation in India. However, their entrepreneurial journey is still restricted by numerous financial, social, cultural, and institutional challenges that limit their growth and contribution to the economy. Although various initiatives have been introduced by the government and development agencies to promote women entrepreneurship, the presence of persistent gender-based barriers continues to prevent many women from starting or scaling their businesses effectively. There is therefore a strong need to conduct a systematic study to understand the nature, causes, and impact of these challenges across different regions and socio-economic backgrounds. By identifying the key obstacles and gaps in support mechanisms, the study can help policymakers, financial institutions, and entrepreneurship development organizations to formulate more practical and inclusive strategies. The findings will also create awareness about the importance of empowering women entrepreneurs, encourage greater participation in business activities, and ensure that women can fully realize their entrepreneurial potential, thereby contributing to sustainable national development.

Further Suggestions for Research

Future research on the challenges faced by women entrepreneurs in India should consider a more extensive and comparative analysis across different regions, sectors, and socio-economic backgrounds in order to gain a deeper understanding of the diversity of obstacles experienced by women in varying contexts. There is a need for longitudinal studies that track women entrepreneurs over time to evaluate the long-term impact of financial assistance, training programmes, and policy interventions. Further research may also focus on the role of emerging trends such as digital entrepreneurship, e-commerce platforms, and social media in supporting or limiting business growth among women. Studies examining intersectional factors such as caste, religion, education, rural–urban differences, and generational changes in attitudes toward women’s work would provide more comprehensive insights. Additionally, research could explore the effectiveness of mentorship networks, startup incubators, and women-led support institutions in addressing entrepreneurial challenges. There is also a need to investigate the psychological, emotional, and mental health dimensions of entrepreneurship, particularly in relation to stress, work–life balance, and family expectations. Future academic inquiry should concentrate on designing and evaluating innovative policy frameworks, technological solutions, and skill-development models that can create an inclusive and sustainable entrepreneurial ecosystem for women in India.

Scope and Limitations

The scope of the present study focuses on examining the various challenges encountered by women entrepreneurs in India, particularly in sectors such as micro, small, and medium enterprises, self-help group–based activities, home-based enterprises, and emerging startup ventures. The study seeks to analyze financial constraints, socio-cultural barriers, work–life balance issues, limited access to markets and technological resources, and the effectiveness of institutional and governmental support systems influencing women’s entrepreneurial development. It also aims to highlight the differences in challenges faced by women in both urban and rural areas and offers insights that may assist policymakers, financial institutions, and entrepreneurship development organizations in formulating effective strategies to strengthen women’s participation in entrepreneurship. However, the study is subject to certain limitations, such as the restricted geographical coverage and reliance on responses collected from a limited sample size, which may not represent the experiences of all women entrepreneurs across the country. The findings depend on self-reported data, which may reflect subjective perceptions and may be influenced by personal biases. Time and resource constraints further

limit the depth of field-based investigation. Therefore, the results of the study should be interpreted within these boundaries, although they provide a useful foundation for further research and future policy development.

Discussion

The findings of the study indicate that women entrepreneurs in India continue to face multiple interrelated challenges that affect their ability to establish, sustain, and expand business ventures. Despite increasing awareness about women's empowerment and the presence of supportive government schemes, deep-rooted socio-cultural norms and gender biases remain significant barriers. Many women struggle to balance business responsibilities with household and caregiving duties, leading to time constraints and limitations in mobility and participation in business training or networking events. Financial challenges continue to be a critical concern, as women frequently encounter difficulties in securing loans due to lack of collateral, inadequate financial knowledge, and limited trust from financial institutions. These constraints often force women to rely on informal sources of funding, which restricts entrepreneurial growth potential. Additionally, access to markets and technological resources remains insufficient, particularly for women in rural areas who face weaker infrastructure and fewer business development services. The absence of mentorship networks, limited professional exposure, and restricted participation in higher-value markets further intensify these obstacles. Although government policies and support programs have made progress, their implementation and outreach remain uneven, making it challenging for many women to fully benefit from available resources. The discussion reveals that overcoming barriers to women's entrepreneurship requires an integrated approach addressing financial inclusion, social mindset transformation, digital empowerment, capacity building, and policy reforms. A supportive entrepreneurial environment must not only focus on economic factors but also on broader socio-cultural transformation to ensure that women can participate equally and confidently in business activities. The study highlights the necessity of coordinated efforts from government agencies, financial institutions, educational bodies, and civil society to create a more inclusive and enabling ecosystem for women entrepreneurs in India.

Conclusion

The study concludes that women entrepreneurs in India encounter a wide range of challenges that hinder their entrepreneurial growth and participation in economic development. Although women's involvement in business activities has increased due to rising education levels, supportive policies, and growing social awareness, structural and deeply rooted barriers continue to restrict their progress. Financial constraints, lack of collateral, limited access to credit facilities, inadequate business skills, and insufficient market linkages remain significant obstacles. Socio-cultural norms, gender discrimination, and the burden of balancing family responsibilities further limit the entrepreneurial choices and mobility of women, particularly in rural and traditional communities. The study also highlights gaps in awareness and accessibility of government schemes and institutional support systems that are intended to promote women's entrepreneurship. It is evident that addressing these challenges requires a holistic and collaborative approach, including efforts to improve financial inclusion, provide targeted training and mentorship, enhance digital access, and create supportive family and community environments. Empowering women entrepreneurs is crucial for national economic growth, social transformation, and the achievement of gender equality. Therefore, effective policy implementation, increased awareness, and supportive infrastructures are essential to build a more inclusive ecosystem that enables women entrepreneurs to fully realize their potential and contribute meaningfully to India's socio-economic development.

References

- Agarwal, S., & Lenka, U. (2018). Emerging trends in women entrepreneurship in India: An overview.
- Goyal, M., & Parkash, J. (2011). Women entrepreneurship in India: Problems and prospects.

-
- Kumar, A. (2020). Barriers and opportunities for women entrepreneurs in India.
 - Mehta, S., & Mehta, P. (2019). Challenges faced by women entrepreneurs in India: A critical review.
 - NITI Aayog. (2021). Women Entrepreneurship Platform: Annual Report. Government of India, New Delhi.
 - Singh, S. (2019). Women entrepreneurship issues, challenges and empowerment through self help groups:
 - Tambunan, T. (2019). Recent developments of women entrepreneurs in developing countries:
 - World Bank. (2022). Supporting women entrepreneurs in India: Building pathways to business growth.