

## Abstract

Women entrepreneurship has emerged as a significant driver of economic growth, innovation, and social transformation in India. However, women entrepreneurs continue to face multiple structural and operational challenges. This study examines the key problems encountered by women entrepreneurs, including limited access to finance, lack of collateral security, socio-cultural constraints, gender bias, inadequate business networks, and low levels of digital and managerial skills. Additionally, work-life imbalance and restricted mobility further hinder their entrepreneurial growth. Despite supportive government schemes and policy interventions, implementation gaps and awareness issues persist, limiting their effectiveness. The study highlights that while urban women entrepreneurs are gradually overcoming barriers through education and digital adoption, rural women remain disproportionately disadvantaged. The findings emphasize the need for inclusive policy frameworks, capacity-building initiatives, financial literacy programs, and stronger institutional support to promote sustainable and equitable growth of women-led enterprises in India.

**Keywords:** *Women Entrepreneurship, Entrepreneurial Challenges, Gender Inequality, Financial Constraints, Socio-Cultural Barriers, MSMEs in India, Women Empowerment*

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## 1. Introduction

Women entrepreneurship has emerged as a vital component of economic development, inclusive growth, and gender empowerment. India is a leading player in the geo-political conditions and global marketplace. In recent decades, increasing participation of women in entrepreneurial activities has contributed significantly to employment generation, innovation, and poverty reduction, particularly within the Micro, Small, and Medium Enterprises (MSME) sector. Entrepreneurship enables women to transition from job seekers to job creators, thereby enhancing their socio-economic status and decision-making power within households and communities. Despite policy support through initiatives such as Stand-Up India and Mudra Yojana, the overall participation of women in entrepreneurship remains relatively low compared to men, indicating the presence of deep-rooted structural and institutional barriers (Bhandari, 2024). From a theoretical perspective, women entrepreneurship is often examined through the lens of gender role theory and institutional theory, which highlight how societal norms, cultural expectations, and institutional frameworks shape entrepreneurial opportunities and constraints. In the Indian context, patriarchal structures, unequal access to resources, and limited ownership of assets restrict women's ability to initiate and sustain business ventures. Empirical studies reveal that women entrepreneurs frequently encounter challenges such as inadequate access to finance, lack of entrepreneurial education, limited professional networks, and gender-based discrimination in markets and institutions. These barriers not only hinder business growth but also reduce the survival rate of women-led enterprises in competitive environments (Srivastava, 2025).

The studies reveal that the management education has a positive relationship with entrepreneurship development (Gaikwad, 2016). The entrepreneurial journey of women in India is further complicated by work–life balance issues, safety concerns, and restricted mobility, especially in rural and semi-urban regions. While digitalization and financial inclusion initiatives are gradually improving access to markets and resources, disparities persist across regions and socio-economic groups. The rise of digital platforms, self-help groups, and government-supported incubation programs has created new opportunities; however, awareness and effective utilization of these resources remain limited. Therefore, addressing both structural and operational challenges through targeted policy interventions, capacity-building programs, and gender-sensitive institutional frameworks is essential to unlock the full potential of women entrepreneurship in India (Nguyen, 2025).

## **2. Background of Study**

The background of women entrepreneurship in India is deeply rooted in the country's socio-economic transformation and evolving gender roles over time. Traditionally, women in India were confined to domestic responsibilities with limited participation in economic activities due to patriarchal norms and restricted access to education and resources. However, post-liberalization reforms in the 1990s, along with increasing literacy rates and policy interventions, gradually facilitated women's entry into entrepreneurial domains. The emergence of the Micro, Small, and Medium Enterprises (MSME) sector has particularly provided a platform for women to initiate small-scale businesses, especially in sectors such as handicrafts, food processing, retail, and services. Despite these developments, the share of women-owned enterprises in India remains relatively low, reflecting persistent gender disparities in economic participation (Kumar, 2023). From an institutional and policy perspective, the Government of India has introduced several schemes and initiatives to promote women entrepreneurship, including financial support, skill development, and capacity-building programs. Initiatives such as Pradhan Mantri Mudra Yojana (PMMY), Stand-Up India Scheme, and various state-level women development corporations aim to improve access to credit and entrepreneurial training. Additionally, Self-Help Groups (SHGs) and microfinance institutions have played a significant role in empowering rural women by enabling collective entrepreneurship and financial inclusion. However, challenges such as lack of awareness, bureaucratic hurdles, and limited outreach of these schemes reduce their effectiveness. Research indicates that institutional support alone is insufficient unless complemented by socio-cultural transformation and market accessibility (Sharma & Saini, 2024).

Women entrepreneurs in India operate within a complex ecosystem influenced by socio-cultural, economic, and technological factors. Urban women entrepreneurs are increasingly leveraging digital platforms, e-commerce, and social media to expand their businesses and reach wider markets. In contrast, rural women continue to face barriers such as limited digital literacy, infrastructural constraints, and restricted mobility. The intersection of gender with factors such as education, location, and socio-economic status further intensifies these challenges. Therefore, understanding the background of women entrepreneurship in India requires a holistic perspective that integrates historical evolution, policy interventions, and ground-level realities. Such an understanding is essential for designing effective strategies to enhance women's participation and success in entrepreneurial activities (Dangi & Saini, 2023).

## **3. Rationale of Study**

The rationale of the study on women entrepreneurs' challenges in India is grounded in the increasing recognition of women's entrepreneurship as a critical driver of inclusive economic growth and sustainable development. Although women-owned enterprises contribute significantly to

employment generation and poverty reduction, their participation rate in entrepreneurship remains disproportionately low compared to men. This gap highlights the presence of systemic barriers that restrict women's entry, growth, and sustainability in business. Understanding these challenges is essential to identify structural inequalities and to design targeted interventions that can enhance women's economic empowerment and participation in the entrepreneurial ecosystem (Agarwal, 2023).

From a theoretical standpoint, the study is justified by the need to examine women entrepreneurship through frameworks such as gender inequality theory, resource-based view, and institutional theory. These perspectives emphasize how disparities in access to resources, socio-cultural norms, and institutional constraints shape entrepreneurial outcomes for women. Existing literature indicates that women entrepreneurs often face multidimensional challenges, including financial exclusion, lack of managerial skills, and limited access to professional networks. However, these challenges vary across regions, sectors, and socio-economic backgrounds, necessitating a context-specific analysis in the Indian scenario. Therefore, the study aims to bridge the gap between theoretical constructs and empirical realities by exploring how these factors interact in shaping women's entrepreneurial experiences (Mehta & Singh, 2024). Women need to adopt the high-end technologies such as artificial intelligence, social media to marketize, promote, sell the products. The rationale is further strengthened by the need to evaluate the effectiveness of existing government policies and support mechanisms aimed at promoting women entrepreneurship. Despite numerous initiatives, issues such as low awareness, inadequate implementation, and limited outreach continue to hinder their impact. Additionally, the rapid digital transformation of business environments presents both opportunities and challenges for women entrepreneurs, particularly in terms of digital literacy and access to online markets. By identifying key problem areas and emerging trends, the study seeks to provide actionable insights for policymakers, financial institutions, and training organizations to create a more inclusive and supportive entrepreneurial ecosystem for women in India (Khandelwal, 2025).

#### **4. Objectives of Study**

- To identify and analyze the major challenges faced by women entrepreneurs in India in establishing and managing their enterprises
- To examine the impact of socio-cultural, economic, and institutional factors on the growth and sustainability of women-owned businesses
- To assess the accessibility and effectiveness of financial resources, government schemes, and support systems available to women entrepreneurs
- To evaluate the role of education, skill development, and digital literacy in enhancing entrepreneurial capabilities among women
- To suggest strategic measures and policy recommendations for promoting women entrepreneurship and reducing gender-based barriers in the Indian business environment

#### **5. Review of Literature**

Recent literature shows that women entrepreneurship in India has gained policy visibility, yet enterprise participation and scaling remain uneven. Official data from the Ministry of MSME indicate that women-owned MSMEs account for 20.5% of total Udyam-registered enterprises, contribute 18.73% of employment generated by registered units, and account for 11.15% of total investment, suggesting that women's entrepreneurial presence is significant but still below parity in ownership, employment intensity, and capital deployment (Press Information Bureau [PIB], 2024). This pattern is consistent with broader institutional literature, which argues that women entrepreneurs in developing economies often enter business in increasing numbers but remain concentrated in

smaller, lower-capital, and less scalable ventures because access to finance, assets, and networks is unequally distributed (World Bank, 2024).

A strong stream of recent empirical work identifies finance, social support, and gender bias as the most persistent constraints. In a study on rural India, found that women entrepreneurs face interlinked economic, social, familial, market, and regulatory barriers, with lack of social support and gender bias emerging as particularly critical constraints to entrepreneurial continuity and growth (Aravamudhan et al., 2024). Similar findings are echoed in regional evidence from India, where women report working-capital shortages, marketing difficulties, infrastructure gaps, and mobility-related problems that weaken enterprise survival and expansion, especially in non-metropolitan settings (Mohsin & Bhat, 2024). Together, these studies suggest that the challenge is not a single resource deficit but a layered disadvantage shaped by household roles, market structures, and institutional frictions.

Another important body of literature examines enterprise performance and scale-up potential. Women-led enterprises across Indian states, show that the probability of scaling is strongly influenced by the entrepreneur's resource base, reinforcing the resource-based view that growth depends not merely on firm creation but on access to strategic capabilities, business knowledge, and support structures (Tanaji et al., 2025). Complementing this, broader review-based scholarship concludes that social forces, cultural expectations, and psychological capital jointly influence performance outcomes in women-owned firms, indicating that business growth is simultaneously an economic and socio-cultural process rather than only a managerial one (Srivastava & Bhatnagar, 2025).

The recent literature also highlights an important policy shift from simple inclusion toward growth-oriented support. The World Bank's recent work on rural women-owned enterprises emphasizes that women-led businesses generate large-scale livelihoods, but they often lack tailored financial products, technology access, market development services, and advisory support needed for mid-scale growth (World Bank, 2024). Indian policy documents also show increasing emphasis on formalization, certification subsidies, training, and capacity building for women-owned MSMEs, yet the literature suggests that scheme availability does not automatically translate into impact unless awareness, last-mile delivery, and mentoring ecosystems improve substantially (Ministry of MSME, 2024). Therefore, the review indicates that future progress in women entrepreneurship in India depends not only on increasing the number of women-owned enterprises, but also on improving their resilience, productivity, and ability to scale.

## **6. Discussion and Analysis**

The analysis of women entrepreneurship in India reveals that despite notable progress in policy support and increasing participation, structural and operational challenges continue to hinder sustainable growth. One of the most critical issues identified is limited access to finance, which remains a persistent barrier due to lack of collateral, low financial literacy, and gender bias in lending practices. Empirical evidence suggests that women entrepreneurs are more dependent on informal sources of finance, which restricts business expansion and scalability. Furthermore, socio-cultural norms rooted in patriarchal structures limit women's decision-making autonomy and entrepreneurial risk-taking capacity. These findings align with institutional theory, which emphasizes that formal policies alone are insufficient unless supported by conducive socio-cultural environments (Aravamudhan et al., 2024). Another significant dimension emerging from the analysis is the disparity between urban and rural women entrepreneurs. Urban women are increasingly leveraging digital technologies, e-commerce platforms, and social media marketing to expand their business

reach, whereas rural women face infrastructural limitations, digital illiteracy, and restricted mobility. This digital divide not only affects market access but also limits exposure to training, networking opportunities, and government support programs. Studies indicate that while initiatives such as Digital India and financial inclusion programs have improved accessibility, their benefits are unevenly distributed across regions and socio-economic groups. Consequently, the effectiveness of such initiatives depends on localized implementation and capacity-building measures (World Bank, 2024).

The interplay between personal and professional responsibilities significantly affects the performance of women entrepreneurs. Work–life balance challenges, coupled with lack of family support and societal expectations, often result in limited time and energy devoted to business activities. This constraint is particularly pronounced in small-scale and home-based enterprises, where women struggle to transition from subsistence-level operations to growth-oriented ventures. Moreover, inadequate access to business networks, mentorship, and market linkages further restricts their entrepreneurial potential. The analysis highlights that while government policies and institutional frameworks are progressively addressing gender disparities, a more integrated approach involving financial inclusion, digital empowerment, social awareness, and skill development is essential to create a supportive ecosystem for women entrepreneurs in India (Srivastava & Bhatnagar, 2025).

## **7. Findings of Study**

- The study finds that women entrepreneurs in India face multidimensional challenges that significantly affect the establishment, growth, and sustainability of their enterprises. The most prominent barrier is limited access to formal financial resources due to lack of collateral security, low creditworthiness perception, and gender bias in lending institutions. As a result, many women rely on informal sources of finance, which restricts business expansion and long-term sustainability. Additionally, inadequate financial literacy further compounds their inability to effectively manage funds and utilize available credit schemes.
- Another key finding is the strong influence of socio-cultural factors on women's entrepreneurial participation. Patriarchal norms, family responsibilities, and societal expectations often limit women's mobility, decision-making autonomy, and risk-taking ability. Work–life imbalance emerges as a critical issue, particularly for married women, as they are required to balance domestic duties with business responsibilities. This dual burden reduces productivity and restricts opportunities for business growth, especially in rural and semi-urban areas.
- The study also highlights a significant digital and knowledge gap among women entrepreneurs. While urban women are increasingly adopting digital platforms for marketing, networking, and operations, rural women face challenges related to digital illiteracy, lack of access to technology, and inadequate training. This digital divide creates disparities in market access and competitive advantage. Furthermore, limited exposure to professional networks, mentorship, and business development services reduces their ability to scale and innovate.
- Another important finding is that although various government schemes and support programs exist to promote women entrepreneurship, their effectiveness is limited due to low awareness, complex procedures, and weak implementation at the grassroots level. Many women entrepreneurs are either unaware of these initiatives or unable to access them due to bureaucratic hurdles. This indicates a gap between policy formulation and actual outreach.
- The study finds that education, skill development, and institutional support play a crucial role in enhancing entrepreneurial success among women. Women with higher education levels, training exposure, and access to support networks demonstrate better business performance

and adaptability. Therefore, strengthening capacity-building initiatives, improving financial inclusion, and fostering a supportive socio-economic environment are essential for promoting sustainable women entrepreneurship in India.

## **8. Conclusion**

Women entrepreneurship in India represents a powerful pathway toward inclusive economic growth, gender equality, and sustainable development. The study concludes that although there has been a noticeable rise in women-led enterprises supported by policy initiatives, financial inclusion programs, and digital transformation, significant challenges continue to restrict their full potential. Structural barriers such as limited access to finance, socio-cultural constraints, gender bias, and inadequate institutional support create an uneven entrepreneurial landscape for women. These challenges are further intensified in rural and semi-urban regions, where infrastructural and digital limitations persist.

The findings also indicate that while government schemes and support mechanisms have been introduced with the intent to empower women entrepreneurs, gaps in awareness, accessibility, and effective implementation reduce their overall impact. The persistence of work–life imbalance, lack of mentorship, and limited networking opportunities further constrains business growth and scalability. At the same time, the increasing role of education, skill development, and digital platforms highlights a positive shift toward empowerment and market integration for women entrepreneurs, particularly in urban areas. The study emphasizes the need for a holistic and multi-dimensional approach that integrates financial inclusion, capacity building, digital empowerment, and socio-cultural transformation. Strengthening institutional frameworks, simplifying access to credit and schemes, and promoting gender-sensitive policies are essential to create a supportive entrepreneurial ecosystem. Ultimately, empowering women entrepreneurs is not only a matter of economic necessity but also a strategic imperative for achieving equitable and sustainable development in India.

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