



Women Entrepreneurship in India: Barriers and Success Factors - Explore the unique challenges faced by women entrepreneurs in India and the factors that contribute to their success in various industries

Tanishka Wadhwa
Student
Pathways School

Abstract

Female entrepreneurs in India face significant barriers such as limited access to funding, gender bias, and socio-cultural constraints. This study explored the barriers hindering the entrepreneurial success of women while identifying key enablers such as government support, financial literacy, and mentorship. With the help of secondary qualitative analysis, the research highlights how targeted policies and training programs can foster a more inclusive business environment. The findings suggest that addressing financial and educational gaps can enhance the economic participation of women, which alludes to overall economic growth. This study provides information for and stakeholders to develop strategies that support and empower women entrepreneurs in India.

Chapter 1: Introduction

1.1 Introduction

Entrepreneurship is a challenge for women in India. Female entrepreneurs struggle a lot to get a recognised position in India. Despite the challenges, different success factors such as mentorship, digital access support help them thrive across different industries. In this research paper, different factors of barriers and success for women entrepreneurship in India were analysed. Therefore, aim objectives were developed, which are included in this first chapter of the dissertation..

1.2 Research Rationale

Female entrepreneurs in India face significant barriers such as limited access to funding, gender bias, and balancing family responsibilities. Despite their potential, women constitute only 14% of total entrepreneurs in India, as per the Sixth Economic Census (Startup India, 2025). Cultural norms, lack of mentorship, and inadequate institutional support hinder women from pursuing entrepreneurship. For example, only 20% of businesses in India are possessed by women, highlighting the gender gap in economic participation (Niti.gov, 2022). This research will identify key barriers and success factors, enabling policymakers to design targeted interventions. Research can empower female entrepreneurs, supporting “economic growth” and “gender equality” by addressing challenges like funding and mentorship.

1.3 Aim and Objectives

Aim

The research intends to analyse the challenges faced by female entrepreneurs in India and identify key success factors contributing to their growth across industries.

Objectives

- To identify the key barriers faced by women entrepreneurs in India and their impact on business growth.
- To analyse the success factors that enable women entrepreneurs to succeed across industries.
- To provide recommended strategies to mitigate the key barriers that impact on business growth.

1.4 Research questions

1. What are the key barriers faced by female entrepreneurs in India, and how do they impact business growth?
2. What are the success factors that enable women entrepreneurs to thrive across industries?
3. What strategies can be recommended to mitigate the key barriers impacting business growth?

1.5 Research significance

This research will highlight the challenges for female entrepreneurs in India and their impact on business growth. It will identify key success factors and provide actionable strategies to overcome barriers. The findings will support aspiring women entrepreneurs in supporting a more inclusive and thriving entrepreneurial ecosystem.

Chapter 2: Literature Review

2.1 Women Entrepreneurship

Women entrepreneurs play a very important role that helps to increase economic growth and innovation. Women's participation, in the form of entrepreneurship, helps to increase economic power as well as contributes a significant part to economic growth (Sherwani, Shaikh, Behal, & Siddiqui, 2023). Despite several challenges like family pressure, societal norms, and financial constraints that were being faced by women, women entrepreneurship helps in job creation. Moreover, women's entrepreneurship gives importance to financial independence and also represents gender equality.

2.2 Barriers faced by Women Entrepreneurs in India

Women entrepreneurs in India are trying to contribute significantly to the social and economic growth of the country. While doing so they are facing some barriers which slowed down their overall growth. A major barrier is associated with the collection of funds for their entrepreneurial journey. Most of the women find it difficult to secure a suitable financing source for their startup businesses. According to the reports of the World Bank (2024), 70% of small and medium scale Enterprises had to be shut down due to the lack of proper financial resources. This also results in a huge global financial deficit for women-owned businesses that amount to \$300 billion on an annual basis (World Bank, 2024). Limited professional networks also pose a barrier for most women entrepreneurs. Small businesses that are located in urban areas of India fail to make their business succeed due to the limited networking access they get, which stops their overall growth.

Moreover, the obstructions that arise from gender inequalities also hamper the growth of women entrepreneurs in India. Gender inequality and gender discrimination affect women who are trying to create their identity in the field of entrepreneurship (Mashapuree *et al.* 2022). Additionally, societal expectation is also a prominent factor behind the stagnant growth of women entrepreneurs in India. Social barriers restrict women from acquiring significant knowledge about the respective field and also family pressure makes their entrepreneurial venture difficult to sustain (Rajamani, 2022). Lack of proper education also restricts the growth of female business owners. The literacy rate of India is 18.5%, which indicates that the women in some areas of India are unable to understand the basics of entrepreneurship (Rajamani, 2022). Therefore, these barriers hamper the women entrepreneurs to run their business smoothly and get success on their path.

2.3 Success Factors behind the Survival of Women Entrepreneurs in India

Women entrepreneurs in India face several challenges, yet the factors are also related to their success and sustainability. The study of Ganeshan & Vethirajan (2021), highlights that government support is an essential factor that provides financial support and skill development programs. Schemes such as *Mudra Yojana* have benefitted over 28 million women, and it offers easy loans that enable them to start and expand businesses (Agarwala, Maity, & Sahu, 2022). In addition, digital platforms have played an essential role in the growth of women-led enterprises. The rise of e-commerce has allowed women to reach a broader customer base, and 58% of women use digital platforms for sales and marketing in startup businesses (Fouzder, Milon, & Islam, 2023).

Another vital factor is mentorship, which provides guidance and support to women entrepreneurs. Programs such as *WE Hub and SHEconomy* offer mentorship, and it has been found that women who are able to get strong mentor support are 2.5 times more successful entrepreneurs (Sohni, 2023). Moreover, family and social support play an essential role in entrepreneurial success. According to the study of Cruz, Hamilton, Campopiano, & Jack (2022), 45% of women entrepreneurs credit their families for their business survival and it highlights the importance of encouragement. Moreover, resilience and innovation help women adapt to business challenges. The report of Sherwani, Shaikh, Behal, & Siddiqui (2023) highlighted that more than 20% of MSMEs are run by women, basically in industries such as textiles, education, and health care. Therefore, these factors, combined with upward opportunities, enable women entrepreneurs in India to overcome difficulties and achieve long-term success.

2.4 Theoretical Framework

The number of women entrepreneurs has increased in the present era. From a worldwide perspective, the number has increased from 10% to 18% since 2014 (Rahim, Mukhtar, & Rahman, 2022). On the other hand, the contribution of formal and informal institutions has also helped the women entrepreneurs in India to get the taste of success. The theory that mostly aligns with this concept is the Institutional Theory. Institutional theory highlights how informal and formal institutions give shape to an individual as well as to an organisational as a whole (Berthod, 2020). The institutional theory also gives importance to the specific rules, regulations, norms and roles that should be followed by an organization in order to achieve success. Formal institutions like financial institutions, government policies and frameworks, and law governing bodies have an impact on women entrepreneurs. These formal institutions help to create a positive and sustainable environment for women entrepreneurs (Berthod, 2020). Institutional theory also highlights the social and cultural factors that affect the participation of women entrepreneurs. Values, attitudes, codes of conduct, norms and culture also influence the potential women entrepreneurs so that women can recognize the useful resources and use them for their businesses (Rahim, Mukhtar, & Rahman, 2022). Thus, Institutional Theory helps to promote women's entrepreneurship, which, in turn, helps to achieve success for women in their entrepreneurial ventures.

2.5 Literature Gap

The existing research discusses the barriers and success factors of women entrepreneurship in India, which mostly focus on financial restrictions, social challenges, and institutional support. However, the selected literature lacks a deeper analysis of how digital transformation exactly impacts women-led businesses and does not explore regional differences in entrepreneurial success (Sohni, 2023; Rajamani, 2022). In addition, there is limited discussion on the role of growing cultural perceptions that provide future opportunities for women entrepreneurs in India (Mashapure *et al.* 2022). Therefore, these gaps need to be filled to cover all core areas related to the research topic.

Chapter 3: Methodology

3.1 Research Design

The researcher used explanatory research design to conduct the research. This research is designed to analyse the barriers faced by women entrepreneurs in India. The factors contribute to their success (Ocaña-Fernández & Fuster-Guillén, 2021). This design helped explore causal relationships between barriers and business growth while identifying significant enablers. It provides in-depth information, supporting the development of strategies to improve the entrepreneurial ecosystem for women.

3.2 Research strategy

An "in-depth qualitative research design" was used by the expert in this study. A qualitative study method was used to get in-depth information about the difficulties, successes, and real-life experiences of Indian women in business. Different studies used this method to get a deep understanding of how social, cultural, and economic factors affect each other.

3.3 Research Philosophy

The researcher of this study used "interpretivism research philosophy". This particular philosophy was helpful to know about the feelings, thoughts, and social situations of Indian women business owners. This method made it possible to look into how cultural hurdles, social rules, and personal drives affect their business journeys in great detail (Firdaus *et al.* 2021). It gave a deep, situation-specific insight that cannot be captured and applied in an objective point-of-view.

3.4 Data Collection

The researcher used secondary sources of information for this study. The researcher collected different information regarding women entrepreneurship in India from different articles, government websites (Sreekumar & Sreekumar, 2023). The researcher selected articles from Google Scholar. The researcher used secondary data collection to analyse existing reports, articles, and statistics on women entrepreneurship in India. This approach provided comprehensive information on historical trends, policy impacts, and industry challenges. It allowed for a broader comprehension of obscurities and success factors without taking in the prospect of schedule and resource shortages of primary data collection.

3.5 Inclusion and Exclusion Criteria

Criteria	Inclusion	Exclusion
Type of Sources	Different articles related to women entrepreneurship in India	Unreliable sources.
Date of Publication	Articles selected from last 5 years (2020-2025) to ensure the current relevance	Those articles were published before 2020.
Language	Papers that written in English language were used	Other regional or non-English language papers were excluded
Data relevance	Data was mainly provided regarding women entrepreneurship, challenges, and success factors in India	Unrelated data and insufficient information regarding the topic were excluded.

Table 3.1: Inclusion and Exclusion Criteria

(Source: Author)

3.6 Data Analysis

The researcher used thematic analysis for the investigation of the research. It helps to identify patterns, themes, and information from qualitative secondary data (Ocaña-Fernández & Fuster-Guillén, 2021). This approach allowed for a deeper realisation of the barriers and success factors faced by women entrepreneurs in India by categorising recurring themes. It enabled a structured and meaningful interpretation of complex information from various sources.

3.7 Ethical Consideration

The researcher acknowledged all the authors whose information was used in this research. The researcher maintains the privacy and confidentiality of the data in the research. The researcher save the information in a secure place and, after completing, removed all the data.



Chapter 4: Findings and Analysis

4.1 Findings

Theme 1: Key barriers faced by women entrepreneurs in India and their impact on business growth.

Authors	Methodology	Key Findings
Chiplunkar & Goldberg, (2024)	Secondary qualitative study	The study finds substantial barriers to “labor force participation” (LFP) and business expansion for women in India. However, “female entrepreneurs” have an advantage in hiring female workers. Removing excess barriers would increase female-owned firms, LFP, earnings, and overall economic gains by enhancing productivity, wages, and competition, replacing low-productivity male-owned firms with more efficient female-led businesses.
Jen <i>et al.</i> (2023)	Secondary qualitative analysis	The study finds that women entrepreneurs in India face significant challenges, including limited access to funding, education, and peer support, despite their potential. Societal norms and gender roles restrict their entrepreneurial opportunities. However, the digital era has opened new avenues in various industries, enabling women to transition from job seekers to business creators. Women excel in diverse fields while balancing family responsibilities, highlighting the need for a positive entrepreneurial environment to enhance their economic participation and success.

Table 4.1: Articles for first Theme

(Source: Author)

Theme 2: Analyse the success factors that enable women entrepreneurs to thrive across industries.

Authors	Methodology	Key Findings
Chhabra <i>et al.</i> (2023)	Primary quantitative study	The study finds that “government support”, “family social support”, “financial literacy”, and “managerial skills” enhance the entrepreneurial capacity of female entrepreneurs in northern India. Socio-cultural barriers moderate these relationships that influence on their impact. The research highlights how these factors shape entrepreneurial success of women with the help of the “Person–Environment (P-E)” fit theory. It emphasised the necessity for supportive policies to overcome cultural challenges and foster business growth.
Abrar <i>et al.</i> (2021)	Primary quantitative analysis	The study finds that nine key indicators significantly contribute to women's success as entrepreneurs. While many women start businesses to support their families, long-term growth remains limited. Government initiatives and continuous efforts are needed to encourage female entrepreneurship. Women must adapt to changing times, enhance their skills, and acquire business knowledge. Effective policy-making and continuous education will empower women in decision-making and business management, enabling them to excel as entrepreneurs and contribute to economic development.

Table 4.2: Articles for Second Theme

(Source: Author)

4.2 Analysis

Theme 1: Key barriers faced by women entrepreneurs in India and their impact on business growth

The findings indicate that women entrepreneurs in India face different barriers, such as financial issues, limited access to professional networks, gender inequality, and societal expectations, which hamper business growth. Similarly, the literature review also highlighted that Small and Medium Enterprises (SMEs) led by women shut down due to insufficient financial resources and a \$300 billion global financial deficit for women-owned businesses (World Bank, 2024). At the same time, the study of Mashapureet *et al.* (2022) highlights gender discrimination as a major obstacle and it restricts women's participation in entrepreneurship. Similarly, the

findings also support this point, and it has been found that gender discrimination and family responsibilities limit women's ability to expand their businesses. Therefore, comparing these findings with the literature, it can be declared that financial and labour force participation has shown as barriers but argue that women entrepreneurs have a comparative advantage in hiring female workers. It suggests that policies help to promote female entrepreneurship which can improve wages, productivity, and competition. Similarly, Jen *et al.* (2023) highlights that financial and educational restrictions are a serious concern the digital era has created opportunities for women to transition from job seekers to business creators. Thus, both findings and literature agree on major challenges. The literature underlines potential economic gains while removing barriers and implementing digital tools and the findings highlight targeted policies and institutional support that can bridge the gap between challenges and opportunities for women entrepreneurship in India.

Theme 2: Analyse the success factors that enable women entrepreneurs to thrive across industries

The findings highlight key success factors that contribute to the sustainability and growth of women entrepreneurs in India and include government support, digital platforms, mentorship, and family support. Similarly, the literature review highlights that Government schemes such as *Mudra Yojana* have provided financial support to over 28 million women and it helps them to start new businesses (Agarwala, Maity, & Sahu, 2022). Digital transformation has also been discussed in the literature review, where it has been found that 58% of women-led startups have started to utilize online platforms to reach wider markets (Fouzder, Milon, & Islam, 2023). The findings also support the statement, and it disclosed that Government initiatives and continuous efforts are needed to encourage female entrepreneurship. In addition, based on the findings, it can also be declared that family support and personal resilience truly contribute to long-term business sustainability. Therefore, comparing these findings with the literature, it is clear that government support, financial literacy, and managerial skills are essential to drive entrepreneurial success. Similarly, Abrar *et al.* (2021) highlights nine key indicators that continuous education and policy-making can enable long-term growth for women entrepreneurs. Both literature review and findings agree that external support mechanism, particularly financial support and education, impact women's business success. Thus, both perspectives agree that institutional and educational support with the implementation of digital tools and mentorship can help to accelerate women entrepreneurs' success. These also boost the labour force participation of women, increase economic productivity and create a more inclusive entrepreneurial ecosystem for the future.

Chapter 5: Conclusion

5.1 Conclusion

This research explored the barriers and success factors those effects on women entrepreneurs in India. The findings highlight challenges like “limited access” to funding, gender biases, and socio-cultural constraints. However, government support, “financial literacy”, and “managerial skills” significantly contribute to their success. The study emphasises that removing these barriers can boost the labour force participation of women, increase economic productivity and create a more inclusive entrepreneurial ecosystem.

5.2 Limitations

This study relied on secondary data, which limits direct engagement with women entrepreneurs. The findings are based on pre-existing reports and studies that cannot fully capture recent developments. The study focuses on a wider perspective, lacking industry-specific information. The exclusion of non-English sources can limit the research.

5.3 Future Scope

The research can provide information for women entrepreneurs of different industries. It will expand the study to specific industries and can help to identify sector-specific challenges and opportunities. Similarly, comparative studies between different regions in India can offer a more detailed understanding of regional variations in barriers and success factors.

5.4 Recommendations

Accessing Financial Support

The government and financial institutions should implement women-specific funding schemes, including low-interest loans and grants, to address financial constraints. Reducing collateral requirements will encourage more women to start and scale their businesses.

Providing Entrepreneurial Training and Mentorship

The organisation will establish dedicated training programs on financial literacy, managerial skills, and digital marketing that will empower women entrepreneurs (Uddin, 2021). Similarly, mentorship networks connecting aspiring women entrepreneurs with successful business leaders can provide guidance, networking opportunities. It enhances their chances of success and long-term business sustainability.

References

- Abrar ul Haq, M., Victor, S. and Akram, F., 2021. Exploring the motives and success factors behind female entrepreneurs in India. *Quality & Quantity*, 55, pp.1105-1132. <https://www.academia.edu/download/95570277/s11135-020-01046-x20221211-1-bsq8u5.pdf>
- Agarwala, V., Maity, S., & Sahu, T. N. 2022. FEMALE ENTREPRENEURSHIP, EMPLOYABILITY AND EMPOWERMENT: IMPACT OF THE MUDRA LOAN SCHEME. *Journal of Developmental Entrepreneurship*, 27(01). https://www.researchgate.net/publication/358593311_Female_entrepreneurship_employability_and_empowerment_Impact_of_the_mudra_loan_scheme
- Berthod, O. 2020. Institutional theory of organizations. Retrieved from ResearchGate website: https://www.researchgate.net/publication/312572322_Institutional_theory_of_organizations
- Chhabra, M., Singh, L.B. and Mehdi, S.A., 2023. Women entrepreneurs' success factors of Northern Indian community: a person–environment fit theory perspective. *Journal of Enterprising Communities: People and Places in the Global Economy*, 17(6), pp.1293-1314. https://www.researchgate.net/profile/Meghna-Chhabra/publication/364054091_Women_entrepreneurs'_success_factors_of_Northern_Indian_community_a_person-environment_fit_theory_perspective/links/6360baf212cbac6a3e146d6c/Women-entrepreneurs-success-factors-of-Northern-Indian-community-a-person-environment-fit-theory-perspective.pdf
- Chiplunkar, G., & Goldberg, P. K. (2024). Aggregate implications of barriers to female entrepreneurship. *Econometrica*, 92(6), 1801-1835. https://www.nber.org/system/files/working_papers/w28486/w28486.pdf
- Cruz, A. D., Hamilton, E., Campopiano, G., & Jack, S. L. (2022). Women's entrepreneurial stewardship: The contribution of women to family business continuity in rural areas of Honduras. *Journal of Family Business Strategy*, 100505. <https://www.sciencedirect.com/science/article/pii/S1877858522000237>
- Firdaus, F., Zulfadilla, Z. and Caniago, F., 2021. Research methodology: Types in the new perspective. *Manazhim*, 3(1), pp.1-16. <https://ejournal.stitpn.ac.id/index.php/manazhim/article/download/903/760>
- Fouzder, H., Milon, M., & Islam, M. S. 2023. WOMEN ENTREPRENEURSHIP ON DIGITAL PLATFORMS: A STUDY ON USING SOCIAL MEDIA BY WOMEN-LED BUSINESS IN BANGLADESH. Retrieved from https://www.researchgate.net/publication/369594712_WOMEN_ENTREPRENEURSHIP_ON_DIGITAL_PLATFORMS_A_STUDY_ON_USING_SOCIAL_MEDIA_BY_WOMEN-LED_BUSINESSES_IN_BANGLADESH
- Ganeshan, M., & Vethirajan, Dr. C. 2021. Skill Development Initiatives and Employment Opportunity in India. *SSRN Electronic Journal*. https://www.researchgate.net/publication/344072413_SKILL_DEVELOPMENT_INITIATIVES_AND_EMPLOYMENT OPPORTUNITY IN INDIA

Jane, E.J., Edison, M.L.P. and Punitha, T., 2023. A STUDY ON THE CHALLENGES OF WOMEN ENTREPRENEURS IN INDIA. *The Online Journal of Distance Education and e-Learning*, 11(2).<https://www.tojned.net/journals/tojdel/articles/v11i02b/v11i02b-21.pdf>

Niti.gov. (2022). *Decoding government support to women entrepreneurs in India*. Retrieved from <https://www.niti.gov.in/sites/default/files/2023-03/Decoding-Government-Support-to-Women-Entrepreneurs-in-India.pdf>

Ocaña-Fernández, Y., & Fuster-Guillén, D. (2021). The bibliographical review as a research methodology. *Revista Tempos e Espaço em Educação*, 14(33), e15614-e15614.<https://ufs.emnuvens.com.br/revtee/article/download/15614/11680>

Sreekumar, D., & Sreekumar, D. (2023). What is research methodology? Definition, types, and examples. *Paperpal Blog-Academic Writing Guides*.<https://paperpal.com/blog/academic-writing-guides/what-is-research-methodology>

Startup India. (2025). Startup India. Retrieved March 10, 2025, from https://www.startupindia.gov.in/content/sih/en/EventsCompetitions/startup_india_yatra.html

Uddin, M. (2021). Understanding MSME-owned women entrepreneurs in Bangladesh: exploring motives, challenges, and success factors. *International Journal of Critical Accounting*, 12(2), 107-128.https://www.researchgate.net/profile/Mahi-Uddin/publication/352164076_Understanding_MSME-owned_women_entrepreneurs_in_Bangladesh_exploring_motives_challenges_and_success_factors/links/627f34a34f1d90417d69b689/Understanding-MSME-owned-women-entrepreneurs-in-Bangladesh-exploring-motives-challenges-and-success-factors.pdf

