



## Challenges Faced by Women Entrepreneurs in India

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### ABSTRACT

It takes a lot of work and perseverance to overcome challenges and succeed as an entrepreneur pursuing financial gain. Only those who are extraordinarily willing to take big chances in their finances, professions, relationships, and failures—and those with the right mindset to face obstacles and overcome them—can succeed as female entrepreneurs. The study's objectives are to investigate the socio-personal obstacles female business owners face in small-scale sectors and to pinpoint solutions. It aims to assess the reasons for their exclusion and the differing degrees of these issues across various business models. Underutilized as a force for economic growth, female entrepreneurs create jobs for others and themselves. Their contributions to the welfare of society go beyond reducing exploitation by fostering women's financial independence and creative problem-solving. The research was to identify areas of concern concerning the traits, demands, goals, drives, and obstacles experienced by women who are business owners. This was achieved via a thorough analysis of the body of current literature. The study's findings show that female entrepreneurs face different degrees of socio-personal difficulties depending on their business type. Data analysis reveals that the type of business has a major impact on how severe the socio-personal difficulties faced by Indian women entrepreneurs are.

**Keywords** Women Entrepreneurs, Socio-personal Challenges, Forms of Business, Low Education Level, Conservative mindset, Family issues

### INTRODUCTION

By encouraging self-employment and making a substantial contribution to overall economic growth, entrepreneurship plays a crucial role in creating employment opportunities in rural areas. Women in rural and urban areas have become more interested in entrepreneurship in recent years as a way to lower poverty, increase household income, and raise their standard of living. Women actively participate in trade, business, and agriculture, frequently without official constraints. However, in the Indian context, rural

women continue to encounter many social and cultural restrictions that impede their engagement in entrepreneurial activities, so restricting their potential contribution to the economic and social development of rural India. In recognition of their contributions, the United Nations has observed October 15 as International Rural Women’s Day since 2008. Establishing businesses and industries in rural areas using agricultural resources is known as rural entrepreneurship. To put it another way, rural entrepreneurship is the establishment of businesses and industries in rural areas.

Rural or village industries are defined by the Khadi and Village Industries Commission (KVIC) as businesses with a fixed capital investment of no more than ₹1,000 per worker or artisan that are situated in rural areas with a population of no more than 10,000 and involved in the production of goods or the provision of services, either with or without the use of power. Later, the Government of India expanded the definition to include businesses located in towns, villages, or rural areas with a population of up to 20,000, permitting investments in plant and machinery up to ₹3 crore.

A woman entrepreneur is a person who takes charge of meeting her own needs, rises to challenges, and aspires to financial independence. The Government of India defines a women entrepreneur as a business that is owned and run by women, with women contributing at least 51% of the capital investment and at least 51% of the employment opportunities within the business.

### **OBJECTIVES OF THE STUDY**

- To determine the difficulties and barriers faced by Indian rural women entrepreneurs
- To investigate the primary drivers of rural women's entrepreneurial aspirations
- To evaluate how well government assistance fosters women's entrepreneurship

### **REVIEW OF LITERATURE**

Raju and Bhuvanewari's (2014) study look at rural entrepreneurship in Sivaganga District, emphasizing its needs, functions, problems, and development strategies. The research identifies key areas such as the necessity for rural entrepreneurship, different types, obstacles faced, and factors promoting its growth. A major limitation highlighted is the difficulty in encouraging and motivating rural entrepreneurs, as low motivation levels lead to numerous challenges. The study emphasizes the value of government-funded training programs for entrepreneurs, especially for women in both urban and rural settings.

In rural areas, women's entrepreneurship is vital for enhancing quality of life, encouraging sustainable development, and significantly boosting overall economic growth.

The biggest obstacle faced by rural women entrepreneurs, according to Pharm and Sritharan (2013), is a lack of effective leadership abilities. The second biggest obstacle was determined to be financial constraints. Low educational attainment, trouble repaying loans, a lack of knowledge about government programs, and insufficient institutional support were additional barriers.

NGO-led training programs offered financial support, business knowledge, and mentorship, according to Parveen's (2014) investigation into the effects of workshop training on rural women entrepreneurs. The results show that while untrained women faced significant challenges in successfully running their businesses, trained women showed stronger entrepreneurial competencies, better market access, and greater success in creating sustainable enterprises. The research also highlighted that unmarried women entrepreneur had difficulty securing bank loans due to potential relocation after marriage, which posed additional business challenges. Given the rising unemployment rate among educated rural women, supporting and promoting rural entrepreneurship is essential to creating more opportunities in these communities.

Senthilkumar et al. (2012) examined the societal barriers to women entrepreneurship in India, noting that women face an unfavorable status due to low literacy rates, limited workforce participation, and deep-rooted cultural restrictions. The expansion of women's entrepreneurship is hindered by these obstacles. According to the report, there is a clear need for more assistance in this area because women's self-employment involvement is still low and entrepreneurship development initiatives for rural women are significantly underutilized.

## **RESEARCH METHODOLOGY**

- **Research Design**

Using keywords like "constraints faced by women entrepreneurs," "challenges faced by women entrepreneurs," "women entrepreneurship," and "female entrepreneurship," a thorough search was conducted across online databases like Google Scholar, Scopus, and Web of Science. The study is investigative in character and uses both exploratory and descriptive research techniques. Its goal is to determine the obstacles and driving forces that affect rural women entrepreneurs.

- **Data Sources**

This research relies on secondary data sources, including information gathered from books, published reports from “RBI, NABARD, and DWCRA, Census Surveys, SSI Reports, newspapers”, and literature reviews derived from online studies and academic journals.

## **ISSUES AND BARRIERS AFFECTING RURAL WOMEN ENTREPRENEURSHIP IN INDIA**

Rural women entrepreneurs have a number of challenges in their business endeavours, such as limitations imposed by their families, challenges in juggling work and home obligations, a lack of education and work experience, and issues obtaining startup funding. Their entrepreneurial endeavours are further complicated by issues pertaining to suppliers and customers. Among the main obstacles that rural woman entrepreneurs must overcome are:

- **Lack of Education** India's female literacy rate is still comparatively low, particularly in rural areas. Even with advancements in the twenty-first century, a sizable fraction of rural women still have low levels of education, which limits their ability to engage in business ventures. Adapting to formal, structured work situations continues to be challenging, even for educated women.
- **Limited Managerial Skills** Effective business management requires specialized skills in areas such as planning, organizing, directing, staffing, controlling, and motivating. Due to inadequate training and lack of exposure, many rural women entrepreneurs struggle to fulfil managerial responsibilities, making it difficult for them to successfully run their businesses.
- **Lack of Technological Awareness** A major challenge for rural women entrepreneurs is their limited awareness of modern technology. Insufficient access to training programs and support services further hinders their ability to adopt technological advancements that could enhance their businesses.
- **Shortage of Raw Materials** Women entrepreneurs often face difficulties in procuring raw materials, relying on a limited number of sources. The scarcity of essential materials, along with high prices, creates significant obstacles. Lack of access to raw materials derived from forests was the main cause of the dissolution of a number of women-led cooperatives in 1971, including those involved in basketry.

- **Difficulty in Sourcing Raw Materials** Finding quality raw materials remains a major challenge for rural entrepreneurs. They often struggle with poor-quality supplies, storage issues, and inadequate warehousing facilities, further complicating their business operations.
- **Socio-Cultural Barriers** Traditional customs and societal norms in India frequently restrict women's entrepreneurial growth. Caste and religious influences create additional hurdles, and women entrepreneurs in rural areas often face scepticism and resistance from their communities.
- **Social Attitudes** One of the most significant obstacles for women entrepreneurs is the societal mindset that limits their opportunities. Despite legal equality, women continue to face discrimination and are often perceived as less capable than men. Women in rural areas face opposition from older women who have internalized conventional gender conventions as well as from men.
- **Lack of Motivation** Self-confidence is a problem for many rural women entrepreneurs, despite the fact that motivation is crucial for business success. Their drive and perseverance are usually weakened by the strain of juggling both business and home obligations.
- **Complex Legal Procedures** Due to illiteracy and lack of awareness, rural women entrepreneurs often find it challenging to navigate the legal requirements for starting and running a business. Obtaining licenses and complying with various regulations can be a daunting task, creating additional barriers to entrepreneurship.

## **MOTIVATIONAL FACTORS INFLUENCING RURAL WOMEN ENTREPRENEURS**

Several factors encourage rural women to pursue entrepreneurship. Rural women's entrepreneurship is greatly aided by a number of government programs, including the Development of Women and Children in Rural Areas (DWCRA), the Indian government's Five-Year Plans, and assistance from NABARD.

### **A. Government Schemes and Platforms**

- **Stand-Up India Scheme:** Launched in 2016, the Stand-Up India Scheme encourages the creation of new businesses in the manufacturing, trading, and service sectors by providing bank credit ranging from ₹10 lakh to ₹1 crore to women and individuals from Scheduled Castes and Scheduled Tribes.

- **Women Entrepreneurship Platform (WEP):** An initiative by NITI Aayog, WEP offers a unified access portal for women entrepreneurs, providing services such as funding support, mentorship, and capacity building to foster an enabling environment for female-led businesses.

#### **B. Digital and Financial Literacy Programs**

- **Nasscom Foundation's Digital Skilling Initiatives:** Aimed at bridging the digital divide, these programs empower rural women entrepreneurs by enhancing their technological skills, enabling better market connectivity and business scalability.
- **Mann Deshi Mahila Sahakari Bank:** Founded by Chetna Sinha, this bank provides microfinance services tailored for rural women, along with financial literacy programs to help them manage and grow their businesses effectively.

#### **C. Skill Development and Incubation Centres**

- **Enabling Women of Kamand (EWOK):** Associated with IIT Mandi, EWOK offers information, training, guidance, and incubation support to rural women in Himachal Pradesh, assisting them in establishing and managing their own businesses.
- **Swayam Shikshan Prayog (SSP):** This NGO focuses on empowering rural women through skill-building programs in areas like agriculture, health, and sanitation, promoting self-reliance and entrepreneurship.

#### **D. Sustainable and Innovative Business Models**

- **"I Was A Sari" Initiative:** Based in Mumbai, this project employs underprivileged women to repurpose old saris into high-end garments and accessories, providing them with vocational training and sustainable income opportunities.
- **Development of Women and Children in Rural Areas (DWCRA):** The Development of Women and Children in Rural Areas (DWCRA) initiative was launched by the Indian government in 1982–1983 with the goal of encouraging rural women to work for themselves. Thousands of rural women have taken part in entrepreneurial development programs as a result of this project. By promoting income-generating activities through the production of goods and services, encouraging self-employment among women below the poverty line, and increasing production efficiency within rural communities, DWCRA aims to improve the socioeconomic status of women and children in rural areas.

## CONCLUSION

With rapid advancements in technology, industrialization, rural development, and education, employment opportunities for rural women have expanded significantly. Encouraging rural women to start their own businesses boosts household income and advances the country's economy as a whole. But in a nation like India, where men predominate, women are frequently seen as socially and economically dependent on men. Therefore, women's empowerment requires concerted assistance from families, governmental organizations, society, and male peers. Rural women can actively participate in rural development and be included into the mainstream economy with the right support systems in place. The government should implement policies that focus on empowering women through training, skill development, and capacity-building programs. Since entrepreneurship cannot thrive without proper education and training, it is crucial to provide rural women with structured programs that enhance their business skills. Additionally, educational initiatives and awareness campaigns should be launched to address societal biases and change negative attitudes toward women in business. Counselling services must to be provided by non-governmental groups, psychiatrists, technical specialists, and seasoned business mentors in order to overcome psychological obstacles including low risk-taking ability and lack of confidence. .However, the difficulties faced by female entrepreneurs cannot be resolved by governmental measures alone. Women entrepreneurs must actively contribute by generating innovative ideas, transforming them into practical ventures, and influencing both policymakers and the wider business community. Forming self-help and mutually aided groups can also be a powerful strategy to tackle common entrepreneurial challenges and promote sustainable growth among rural women entrepreneurs.

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