

## WOMEN ENTREPRENEURSHIP AND THE ROAD OF CHALLENGES

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### ABSTRACT

Women entrepreneurs contribute highly to the economy and many women have a high success rate. However, even though after so much of economic contribution they still face many challenges as a female entrepreneur. Indian society is a patriarchal society and while many other nations also have a similar background, Indian society has had dominance of males in a way which has made the society to have prejudice against the women in every aspect. The bias that has been created in the Indian Society has been a part since the historical times and therefore these biases have only become more and stronger in India. Even though there are many institutes, schools and policies that are opened by the government to empower women, it has not been able to help them to let go of the gender biases that they face in their real life of working as an entrepreneur. The aim of this paper is to highlight the challenges that are faced by the Women Entrepreneurs in India.

**Keywords:** *Women Empowerment, Women Entrepreneurship, Challenges, India*

### Introduction

Gender Inequality is very much prevalent in India and to be fixed it requires

time and policies that can help the society to overcome inequality. There are many policies that the government has introduced for the Women entrepreneurs to help them start their ventures without any discrimination, but it has not been able to limit the challenges that the women entrepreneurs face on a daily basis.

### **Women Entrepreneurship**

Women Entrepreneurship is defined in various ways by different organisations and scholars. Government of India defines it as “A Woman enterprise is the one owned and controlled by a woman having minimum financial interest of 51% of the capital and giving at least minimum 51% of generated employment to women”.

Frederick Harbison defines Women Entrepreneurship as “Any women or group of women which innovates, initiates or adopts an economic activity may be called women entrepreneurship”. According to J. Schumpeter, “Women who innovate, initiate or adopt business actively are called women entrepreneurs.”

In short Women entrepreneurship can be defined as the women or a group of women that come together to form enterprise by thinking, initiating, organising, combining and operating by undertaking the risk and handling the economic risks that involved while operating it.

These days India is focused on the Women Entrepreneurs as there are some stigmas always existing to women in India. Now a days woman are coming up and contributing in the entrepreneurship market by making their prominent existence through their enterprises. According to the India Brand Equity Foundation India has 432 million working women and 13.5-15.7 million businesses are owned by women. These women- owned enterprises own provide 22-27 million people with employments. In India 45% of business are run by women, out of which 50,000 are recognised by the government. India has witnessed the most women led start-ups turning into unicorns in 2021. Some of the most famous enterprises are listed below:

### **Table 1. List of Popular India Women Entrepreneurships**

Brand	Founder / Co-founder	Date of Establishment	Total Funds Raised	Market Valuation
	Divya Gokulnath	2011	US\$ 8.5 billion	US\$ 18 billion
	Falguni Nayar	2012	US\$ 148.5 million	US\$ 12.5 billion
	Upsana Taku	2009	US\$ 380 million	US\$ 750 million
	Isha Choudhry	2015	US\$ 90 million	US\$ 100 million
	Chitra Gurnani Daga	2009	US\$ 1.24 million	US\$ 4.48 million

### Government Policies to encourage Women Participation

India has recently seen a boom in entrepreneurship sector by the women and contributing in various areas like beauty, IT, sanitation, education, travel, automobile, food and even innovation. However, lack of financial and social support can make it difficult for setting up an enterprise. To help women overcome these hurdles Government of India has created many such policies which help them run their business.

#### 1. Stand-Up India

The Stand-Up India scheme focuses on providing loans to the new emerging women entrepreneurs between 10 lakhs to 1 crore Indian Rupee. This policy allows at least one woman per bank branch to support entrepreneurship among women, SC, ST communities in trading, manufacturing and service sector.

#### 2. Bhartiya Mahila Bank Business Loan

This policy is implemented by The Bhartiya Mahila Bank (BMB), a public sector banking company that provides up to 20 crores for working capital requirements, business expansion or manufacturing enterprises to women entrepreneurs. Some of the schemes under Bhartiya Mahila Bank Business Loan plan includes:

- Shringaar – This loan is applicable to self-employed

women or homemakers. The aim is to help them plan a new start-up or meet their daily business expenses. The loan does not require one to provide with any collateral security.

- Parvarish– Parvarish loan is for self-employed women or homemakers to set up day-care creches. The upper limit of this loan is ₹1 Crore depending upon the requirements, without any collateral security under the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGSTSM) scheme.
- Annapurna – This loan is specifically focused on the food entrepreneurs who wish to start or expand their small businesses. It does not require the collateral security but is offered to women between the ages of 18 – 60.

### 3. The Women Entrepreneurship Platform (WEP)

This Platform is created to help women led tech start-ups to accelerate and provide them support. This platform helps aspiring women entrepreneurs to form connections with other women entrepreneurs and leading entrepreneurs in the sector. They are also given assistance in fundraising, training entrepreneurs to pitch ideas, and connecting them with potential investors.

### 4. The Trade Related Entrepreneurship Assistance and Development (TREAD)

In this scheme for women grants up to 30 per cent of total project cost and the remaining 70 per cent is financed by a lending agency that funds the venture in the form of a loan. The grant is utilised for training, counselling and tie-ups for marketing, over and above capacity building for women.

### 5. Micro Units Development and Refinance Agency Limited (MUDRA)

This financial institution is set by the government for the purpose of refining and uplifting of the small businesses, including start-ups, by providing loans in an informal and small business in three categories based on their growth, work and development status of a

business.

6. Women's Entrepreneurship Programme (WING)

Start-up India launched WING as a world-wide initiative to spread awareness amongst the women entrepreneurs. It organised workshops both at a basic and an advanced level for already existing women entrepreneurs, innovators and women that wish to start a venture. It is simply a knowledge sharing programme which helps them understand certain questions and relax their curiosities.

7. The RashtriyaMahilaKosh

This scheme also gives out loans of up to 10 lakhs under various schemes to help women of smaller ventures to come forward and make the use of the opportunities.

**Factors Influencing Women Entrepreneurship in India**

There are certain factors which are required to support Entrepreneurship and in theory they are classified as economic and non-economic factors. Most of the time economic factors are in the categorisation of capital, labour, material and money and the non-economic factors are the social and psychological factors. Today women entrepreneurs need to be encouraged and are ready explore their talents to become an entrepreneur. The following are the motivational and facilitating factors, which influence the needs for women

1. Motivational Needs : The entry of women is a new phenomenon and many women from joint families are branching out as entrepreneurs. There is a need for additional income with the rise of inflation and increasing prices. Nowadays it a nuclear family, in these cases they need double income, so women are coming forwards to start some lucrative business opportunities to support their family income and start new businesses and hence a motivational need.
2. Strong Desire for higher Achievement : They want a sense of achievement and want to be valuable and to prove herself, there is a strong desire and motivating factor for them to become an entrepreneur. They are talented, educated and they are housewives, so there are so many reasons – they wish to earn and now in

modern days this ideology has changed. They have a chance to come out and explore and add to the income of the family. As they earn, they are free and consider themselves as an asset and not a liability to the family anymore. This is one of the strongest motivating factors.

3. A sense of Independence: An independent life towards decision making capacity is now a requirement for women today. Today women have developed a different status for themselves and when they are earning it is strong motivational force
4. Government Initiatives: The Government and NGOs are working to build robust and new women entrepreneurship programmes introducing various incentive schemes which provide loans, finance facility to build up one owns business and help them to go for business ventures. They are taking various kinds of education for making themselves self-employed. Women have grown in modern days – both in technical and non-technical fields – they are taking courses and gaining knowledge to help them start their own factories and establishments - they can surpass men in several fields. Recently Indian Airlines came directly from Sanfranciso to India – a-chartered flight where the women pilots and crew were women creating a desire to excel in their field of career - hence these are motivational factors.
5. Role Models : Women in India they want to be a key role model for the young generation. They have already entered the fields of politics and social education, and now they are making a mark in the business scenario contributing to the economic development in the country.
6. Family Occupation : Along with other members there is a need to support their families in the family business and increase their incomes. Women are continuing their businesses and develop their businesses and contributing their talent towards the current business requirement. They are providing ideas and employment generation, through their small-scale activities helping generate employment to rural women

7. Self-Identity and Status and Growing awareness: Women entering business also enjoy this status through networking. Women today are aware because they can do learn so much from the internet, the awareness is increasing, and opportunities are available – through both offline and online content. All women entrepreneurs wish to have a good standard of living, providing quality education to their children so that they can become economically independent, career-oriented work and become self-independent.

### **Challenges faced by Women Entrepreneurs**

Even though there are so many policies that are made to help the women entrepreneurs to flourish, there are still many challenges that women face as entrepreneurs which reduce their growth and causes hindrance in their work. Some of these challenges are listed below:

1. Fewer Sectors are Women Friendly

In India men dominate the entrepreneurial sector, despite the policies that are introduced it is just one of the sad realities. According to a recent report, most women-owned businesses in the country operate in low-revenue sectors, while men control the more profitable sectors like manufacturing, construction. The male-centric system forces women entrepreneurs to focus on the women-centric sectors like education, beauty, health and care which lowers their opportunity of growth and knowledge. These sectors are historically defined sectors for women. Women entrepreneurs find it difficult to associate themselves with the new innovative or men dominant ventures because of the bias that are tagged along.

2. Social Responsibilities and Lack of Social Support-Women in Indian society are associated with home and their responsibilities involve taking care of everyone at their respective households and fulfilling all the responsibilities within their home. Women in today's time are changing the way Indian society associates women to be. Women today are in the same field as men and work equally hard as them in various fields. Even after so many years of passing by there are many such people prevalent in the Indian society that create a certain bias when it comes to women working. Women

- have to fight such lack of support to fulfil their dreams. One such Women entrepreneur is Falguni Nayar – Founder and CEO of Nykaa. She started her venture at 49 while she also had a lot of challenges that she had to face as at an age like women in India are best associated between the four walls of their homes. But Falguni broke the bias and the societal norms that are forced upon women and is now one of the billionaires in India and has a great and popular venture that has been gaining success each day.
3. Competition- Men are always seen as a competition to women entrepreneurs and it is always assumed that a woman cannot perform better in a industry that is dominated by men. Women need to not only prove their worthiness to their competitors but also to their colleagues and other employees that are working in the organisation. They also have to manage their output while having limited resources. Kiran Mazumdar-Shaw experienced similar prejudices back in 1978 at the age of 25 when she started her enzyme manufacturing company, Biocon. The company took some time to gain success as the Kiran, the CEO was had to face basis in comparison to her male counterparts. In 2004, Biocon's IPO was oversubscribed 33 times with a market valuation of \$1.11 billion, becoming the second Indian company to cross the \$1-billion mark on the first day of listing.
  4. Pressure to stick to their Gender Roles-Patriarchal conditions forces both men and women to play a certain type of gender roles where men are the breadwinners while women are the expected to do the chores, cleaning, taking care of children and the family. Women having a professional responsibility is a challenge since they have to satisfy the societal expectation.
  5. Mobility-Mobility is one of the huge challenges for women entrepreneurs simply because it is unsafe to be traveling to different locations for their respective work. A lot of times women have to leave big opportunities because their families are concerned for their safety. Similar challenge was faced by Suchi Mukherjee – Founder and CEO of Limeroad. While she was establishing



Limeroad, she left her husband and children in London and shifted to India all by herself to start her new venture. However, her husband would make many travel arrangements for her to come back and to travel to India to check upon her.

6. Lack of Education- One of the credentials that is lacking in the women is the lack of education with regard to entrepreneurship. It does not only involve the theoretical knowledge but moreover the practical knowledge is lacking. There should be some idea about the industry, some research that should be done. However, in India, the education of women does not get its due importance. As a result, many budding women entrepreneurs lack the right education for running a successful business. As women get higher education, they are levelling the playing field.
7. Poor Funding Prospects- As unfair as it sounds, it is very much true that women do not have a fair funding prospect in comparison to the male entrepreneurs. The funding is based on a massive gender bias. Many investors do not invest much in the women led ventures or sometimes hardly any contributions are made by the investors which makes it extremely difficult for women entrepreneurs to start their venture. According to a report by Innoven Capital, of all the companies that received funding in 2019, only 12% had at least one female founder. Many investors do not invest in women- led firms, many banks find women to be less credit-worthy. Another challenge while getting a loan is that many women in India don't have property or assets in their name which make it difficult for them to get a loan approval from the bank.
8. Lack of Access to the Professional Networks-According to recent research, women entrepreneurs do not have professional links or networks. That is why more than formal networks, they have informal networks. The survey also indicates that about 45% of urban women entrepreneurs suffer due to lack of proper networking. Many exiting professional networks are dominated by men making it difficult for women to grow their businesses.

## **Conclusion**

Back in 2010 the percentage of women entrepreneurs in India was 14% well

that's quite a bit of progress that we have made from 14% over 20 years thanks to the government schemes and a lot of initiatives that government has been taking to improve women entrepreneurship. But the question is that growth enough? Or do we have more potential in India for women to come up and rise and become capable entrepreneurs in India.

One will be surprised to know that India is one of the poorest country when it comes to fostering women entrepreneurship even after so many initiatives taken by the government the numbers are not there and what is encouraging by a recent research study by Google if India does enough to create more and more women entrepreneurs alone women entrepreneurs they have the capacity to create 117 million jobs by 2030 imagine this number in this time from coronavirus when most of the people around are losing their jobs or are working under salary pay cuts. Women stand on an opportunity to create jobs by 2030 -117 million jobs can be created - the dilemma rises - can one imagine what can happen to the economy if this comes?

The question we need to ask is why we have low numbers when it comes to women starting their own businesses and the answer that we get from them is that when the business fails, they eventually stop and that's why we have less number of women.

Do you think this is really true you will be surprised to know that research says that the success rate of women entrepreneurs is higher than male entrepreneurs when it comes to the results of the business that they are running then what's keeping the numbers so low the sad state of affairs is that enough number of women do not come out and take up on entrepreneurship and do not start businesses because of this big fear of failure that a lot of them have this fear is something that even a male entrepreneur would have when starting because this is something that anybody irrespective of a woman or a man who is starting -this fear that is created in the mind because of thoughts and barriers that we have we need to overcome and women in general have some specific and unique barriers in common which are very different from men because of which they are not able to take a step forward and need to start their journey of new experiences and challenges.

Even though there are many emerging women entrepreneurs that are

contributing to the economy and giving tough competition to men, gender bias is always going to be prevalent in the Indian society. The government has made many schemes and policies for the budding women entrepreneurs which can help them create a start-up, but the dominant male society will somehow create many challenges for the women. One of the most interesting observation is that women are always seen as less competent than men and most of the challenges that women entrepreneurs face today is because of the expectations that are forced upon them by the patriarchal society.

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