International Journal of Education, Modern Management, Applied Science & Social Science (IJEMMASSS)
An International Quarterly bi-lingual Multidisciplinary Double Blind Open Access Peer Reviewed Refereed Journal
ISSN:2581-9925, Impact Factor (Cosmos: 7.555 & I2OR: 5.105), Volume 08, No. 03(IV)(Special Issue), July-September, 2026, pp. 86-90

Women Entrepreneurs in India: Opportunities, Challenges and Policy Perspectives

Areebah Noor*

Student Researcher, Kalinga Institute of Industrial Technology (KIIT), Bhubaneswar

*Corresponding Author: areebah.noor.areebah@gmail.com

DOI Citation: Noor, A. (2026). Women Entrepreneurs in India: Opportunities, Challenges and Policy Perspectives. International Journal of Education, Modern Management, Applied Science &Amp; Social Science, 08(03(IV)), 86–90. https://doi.org/10.62823/ijemmasss/8.3(iv).9589

ABSTRACT

Women entrepreneurship in India has emerged as a significant driver of inclusive economic growth, innovation, and social transformation. This paper critically examines the opportunities and challenges faced by women entrepreneurs within the Indian socio-economic context. Despite increasing participation across traditional and emerging sectors, women entrepreneurs continue to face structural barriers such as limited access to finance, socio-cultural constraints, gaps in technical education, and digital inequality. At the same time, emerging opportunities driven by globalization, digital platforms, and supportive government initiatives have enabled women to overcome traditional barriers and establish successful commercial enterprises. This study adopts a qualitative research approach based on secondary data from academic literature, policy reports, and institutional publications. The paper also incorporates real-life case studies of successful Indian women entrepreneurs such as Falguni Nayar, Kiran Mazumdar-Shaw, and Vandana Luthra to highlight pathways to success. The findings suggest that while policy frameworks like Startup India and Stand-Up India have improved the entrepreneurial ecosystem, gaps in implementation, administrative friction, and accessibility persist. The study concludes that empowering women entrepreneurs requires a multi-dimensional approach involving financial inclusion, digital empowerment, skill development, and institutional support. Strengthening women-led enterprises is essential not only for gender equality but also for achieving sustainable development goals and inclusive economic progress in India.

***Keywords**: Women Entrepreneurship, Gender Inequality, Digital Inclusion, Economic Development, India.*

Introduction

Women entrepreneurship has become an increasingly vital component of economic development, particularly in fast-growing developing countries like India. It plays a crucial role in generating local employment, reducing poverty, dismantling systemic social barriers, and promoting gender equality. Traditionally, Indian society has been characterized by deeply entrenched patriarchal norms that restricted women's participation in formal economic activities. However, with the advent of post-1991 market liberalization, higher educational attainment, urbanization, and rapid technological advancements, women are increasingly stepping into entrepreneurial fields as dynamic business leaders and job creators.

* *Copyright © 2026 by Author's and Licensed by Inspira. This is an open access article distributed under the Creative Commons Attribution License which permits unrestricted use, distribution, and reproduction in any medium, provided the original work properly cited.*

* ***A Special Issue for the papers accepted for publication in the Two-Days Multidisciplinary National Seminar on Role of Entrepreneurship in Socio-Economic Upliftment of Women in India(22-23May 2026) Organized by Faculty of Commerce, The Graduate School College for Women, Jamshedpur, Jharkhand(A Constituent Unit of Kolhan University, Chaibasa, Jharkhand)in Collaboration with Jharkhand State Higher Education Council, Department of Higher and Technical Education, Govt. of Jharkhand & Punjab and Sind Bank, Sakchi, Jamshedpur.***

Entrepreneurship offers women a direct opportunity for financial independence, social mobility, household decision-making power, and broader personal empowerment. According to recent economic census data and institutional estimates, women-owned enterprises are steadily increasing across India, particularly in sectors such as retail trade, food processing, educational services, healthcare, and digital platforms. However, their overall participation remains significantly lower compared to men, accounting for less than 20% of proprietary business enterprises nationwide.

Women entrepreneurs in India face multiple complex challenges, including a lack of access to formal credit, limited professional business networks, socio-cultural restrictions, and work-life balance issues stemming from disproportionate domestic caregiving burdens. These challenges are often far more severe in rural and semi-urban areas, where infrastructural deficits, lower digital literacy, and educational constraints further limit commercial opportunities. This paper aims to analyze the key opportunities and challenges faced by women entrepreneurs in India, evaluate the effectiveness of existing policy frameworks, and offer actionable strategies for inclusive enterprise growth.

Objectives of the Study

The primary objectives of this qualitative research study are as follows:

- **To examine key structural challenges:** To analyze the primary financial, socio-cultural, technological, and institutional barriers hindering women entrepreneurs across urban and rural India.
- **To analyze emerging market opportunities:** To investigate growth avenues driven by digital transformation, e-commerce expansion, changing consumer behaviors, and novel business models.
- **To evaluate government policy frameworks:** To assess the implementation efficacy and reach of central and state schemes (such as Stand-Up India, Mudra Yojana, and Startup India) along with digital platforms.
- **To propose actionable policy recommendations:** To formulate evidence-based recommendations for policymakers, financial institutions, and industry bodies to strengthen the female entrepreneurial ecosystem.

Literature Review

The scholarly literature on women entrepreneurship highlights both enabling factors and persistent structural barriers in developing economies. Sharma (2013) argues that access to higher education, specialized business training, and financial capital plays a critical role in determining entrepreneurial success among women. Educational attainment equips female founders with managerial competencies, legal awareness, and strategic vision, allowing them to transition from informal subsistence businesses to organized, growth-oriented enterprises.

Similarly, Singh and Belwal (2008) emphasize that socio-cultural norms continue to restrict women's active participation in business activities. Deep-seated patriarchal values restrict physical mobility, limit independent commercial decision-making, and impose a heavy 'double burden' of unpaid household care work alongside enterprise management. This dual expectation restricts the time, energy, and mobility required to build extensive business networks or negotiate with supply chain partners.

Studies by the World Bank (2019) indicate that women entrepreneurs face higher barriers in accessing formal institutional credit due to a systemic lack of collateral ownership and lower formal financial literacy. In India, land tenure and real estate property title deeds remain overwhelmingly registered under male family members, effectively blocking women from satisfying traditional bank collateral requirements. Microfinance institutions (MFIs) and self-help groups (SHGs) have played a significant role in addressing these credit gaps in rural areas (Kabeer, 2012).

Recent research by NITI Aayog (2020) highlights the growing importance of digital platforms in promoting women entrepreneurship. E-commerce marketplaces, social commerce, and mobile banking have enabled women to bypass traditional geographic restrictions and access wider markets directly from home. However, the digital gender divide remains a major concern, as many rural women lack access to smartphones and digital skills.

Research Methodology

This study adopts a qualitative, descriptive, and analytical research design built upon secondary data synthesis. A qualitative lens allows for a nuanced examination of socio-cultural dynamics, policy execution gaps, and operational barriers across different sectors in India.

Data Sources

Secondary data was collected and synthesized from reputable academic repositories, government statistics, and global development bodies, including:

- **Academic Literature:** Peer-reviewed research journals in entrepreneurship, economics, and gender studies.
- **Government & Institutional Reports:** Official reports from the Ministry of MSME, NITI Aayog, Reserve Bank of India (RBI), and MOSPI.
- **International Development Reports:** Publications and empirical benchmark data from the World Bank, Asian Development Bank (ADB), and ILO.
- **Corporate Case Documentation:** Verified case studies, industry reports, and biographical documentation of prominent Indian business founders.

Method

The study uses thematic analysis to categorize secondary findings into key operational clusters: financial challenges, socio-cultural barriers, digital inclusion, and policy impacts. Additionally, empirical case study analysis of three leading female entrepreneurs is incorporated to provide real-world insights into business scaling, resilience, and innovation.

Findings

The qualitative findings reveal that women entrepreneurs in India navigate an evolving landscape shaped by structural challenges and expanding opportunities:

- **Financial Constraints and Credit Access**

Limited access to formal institutional credit remains the primary operational barrier. Commercial lenders often exhibit subjective biases, viewing women-led ventures as high-risk or secondary family income sources. Furthermore, because land and property are rarely registered under women's names, female founders struggle to provide traditional bank collateral, forcing them to rely on personal savings or informal credit.

- **Socio-Cultural Barriers and Time Poverty**

Traditional gender roles heavily restrict women’s physical mobility, networking opportunities, and commercial negotiation power. The societal expectation that women should handle all household chores and caregiving duties results in severe time poverty, restricting business expansion efforts.

- **Digital Divide and Technological Asymmetry**

A persistent gender gap in smartphone ownership, internet access, and advanced digital literacy—especially in rural regions—limits female entrepreneurs' ability to fully utilize modern e-commerce channels, online marketing, fintech applications, and digital compliance platforms.

- **Emerging Market Opportunities**

The rapid rise of direct-to-consumer (D2C) channels, social commerce (Instagram, WhatsApp Business, Meesho), supportive government programs (Stand-Up India, Mudra Yojana), and growing middle-class demand for wellness, education, and organic products have created unprecedented pathways for female-led business creation.

Analysis and Discussion

The analysis highlights a significant gap between policy design and ground-level execution. While flagship schemes like Startup India and Mudra Yojana aim to empower women entrepreneurs, awareness and accessibility remain limited, particularly among rural and semi-urban women. Rigid documentation demands, bureaucratic delays, and a lack of gender sensitivity among banking staff hinder credit flow.

Digital platforms such as Instagram, Amazon, Flipkart, and Meesho have undeniably transformed the entrepreneurial landscape. Women can now launch direct-to-consumer businesses

directly from home, significantly reducing physical overhead and mobility barriers. However, unequal digital access prevents rural female cooperatives from competing on equal terms with urban founders.

The sustainable success of women entrepreneurs depends on establishing an integrated ecosystem that combines capital access, technical skills training, structured mentorship, and peer networking. Without addressing underlying socio-cultural biases and institutional credit barriers, progress will remain uneven across different demographics.

Case Studies

To examine practical pathways to success, this section analyzes three prominent Indian female entrepreneurs who successfully navigated structural hurdles.

- **Falguni Nayar (Nykaa)**

Falguni Nayar, founder and CEO of Nykaa, transformed the beauty and wellness retail industry in India. Launching her venture in 2012 at age 50 after a distinguished career in investment banking, she identified an unfulfilled market gap for authentic multi-brand cosmetics online. By building an inventory-led e-commerce platform and expanding into physical retail stores, she built an iconic brand that achieved a historic IPO in 2021, demonstrating the immense power of digital innovation, vision, and strategic execution.

- **Kiran Mazumdar-Shaw (Biocon)**

Kiran Mazumdar-Shaw is a pioneer in biotechnology and the founder of Biocon. Starting in 1978 with minimal capital in a garage, she faced severe gender prejudice and credit refusals from banks unwilling to fund a young female founder in an unproven science industry. Through relentless scientific innovation, persistence, and global strategic vision, she scaled Biocon into a world-leading biopharmaceutical enterprise, exemplifying deep entrepreneurial resilience.

- **Vandana Luthra (VLCC)**

Vandana Luthra founded VLCC in 1989 as a beauty and wellness transformation center in New Delhi, pioneering an organized health care service industry in India. By integrating scientific health practices with personalized care, she expanded VLCC into a multinational enterprise operating across 300+ locations, while establishing vocational institutes (VLCC Institutes) to train thousands of underprivileged women in technical wellness skills.

Table 1: Summary of Case Studies

Entrepreneur	Venture	Sector	Key Drivers of Success
Falguni Nayar	Nykaa	E-Commerce / Retail	E-commerce platform expansion, brand trust, omnichannel strategy
Kiran Mazumdar-Shaw	Biocon	Biotechnology	Scientific research, global expansion, resilience against gender bias
Vandana Luthra	VLCC	Wellness & Health	First-mover advantage, service quality, vocational skill training

Policy Recommendations

Based on the research findings, the following actionable policy recommendations are proposed to strengthen the female entrepreneurial ecosystem:

- **Enhance Financial Inclusion:** Provide collateral-free micro and macro loans up to ₹50 Lakhs, establish gender-sensitive banking policies, and implement mandatory bias-reduction training for commercial bank loan officers.
- **Promote Digital Literacy & Technology:** Ensure widespread access to affordable hardware, broadband connectivity, and specialized digital marketing and fintech bootcamps for rural and semi-urban female founders.
- **Skill Development & Business Education:** Expand practical management training programs, financial planning workshops, and legal compliance orientation in higher educational institutions.
- **Mentorship and Networking Networks:** Encourage women-led business associations, establish formal industry mentorship platforms, and reserve dedicated incubator seats for female-founded startups.

- **Rural Enterprise & SHG Scaling:** Improve rural logistics infrastructure, upgrade Self-Help Groups into high-value producer cooperatives, and create direct market linkages for rural artisans.

Limitations

This study is based on secondary data sources, academic literature, and institutional reports, lacking primary empirical field survey data. Future research could incorporate qualitative field interviews and quantitative surveys across diverse Indian states to capture micro-level regional variations.

Conclusion

Women entrepreneurship holds immense potential for transforming India's economic and social landscape. While substantial progress has been made through supportive government policies, technological adoption, and evolving social attitudes, persistent challenges such as financial exclusion, gender bias, and digital inequality remain.

A comprehensive, multi-dimensional approach involving policy reforms, institutional banking support, targeted skill development, and societal mindset changes is essential. Empowering women entrepreneurs is not only a matter of gender equality but also a critical driver of sustainable, inclusive economic progress in India.

References

1. Kabeer, N. (2012). Women's economic empowerment and inclusive growth: Labour markets and enterprise development. International Development Research Centre.
2. Ministry of Micro, Small and Medium Enterprises. (2022). Annual Report 2021-22. Government of India, New Delhi.
3. NITI Aayog. (2020). Women Entrepreneurship Platform Report. Government of India, New Delhi.
4. Reserve Bank of India. (2021). Report on Financial Inclusion and Microfinance Acceleration. RBI Publications, Mumbai.
5. Sharma, P. (2013). Women entrepreneurship development in India: Opportunities and challenges. Global Journal of Management, 13(6), 11-18.
6. Singh, G., &Belwal, R. (2008). Entrepreneurship and SMEs in Ethiopia: Socio-cultural perspectives. Journal of Small Business, 15(1), 112-134.
7. World Bank. (2019). Women, Business and the Law Report 2019. World Bank Publications, Washington, D.C.

❑❑❑