

Challenges, Opportunities, and Government Support for Women Entrepreneurs: A Study on Business Performance and Financial Accessibility

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Abstract

Women entrepreneurs play a critical role in economic development, yet they face numerous challenges in accessing finance, markets, and networks. This study examines the barriers, opportunities, and government support mechanisms available for women entrepreneurs in India, focusing on business performance and financial accessibility. The research is based on data collected from 20 women entrepreneurs in different sectors. Findings indicate that financial constraints, societal barriers, and limited access to markets are major obstacles, while government initiatives provide some support, albeit with varying levels of effectiveness. The study offers recommendations for enhancing financial inclusion and policy measures to promote women's entrepreneurship. This study investigates the multifaceted aspects of women entrepreneurship, focusing on the challenges encountered, the effectiveness of government support, and the financial accessibility critical for business performance. Through a mixed-methods approach, including surveys and case studies, the research examines the impact of socio-economic factors, institutional support, and financial inclusion on the success of women-led businesses. Key findings reveal that while government initiatives provide a foundational support system, their effectiveness is often hampered by bureaucratic hurdles and a lack of awareness among women entrepreneurs. Additionally, the study underscores the critical role of accessible financial resources in overcoming barriers to entry and growth. The research concludes that a synergistic approach involving streamlined government policies, enhanced financial accessibility, and targeted support services is essential to unleash the full potential of women entrepreneurship, thereby contributing to economic development and gender equality.

1. Introduction

Entrepreneurship is a key driver of economic growth and innovation. However, women entrepreneurs face unique challenges that hinder their business performance and financial accessibility. This research explores the challenges, opportunities, and government support available to women entrepreneurs in India, particularly in the context of the IMPART NGO initiatives. Despite the government's efforts through programs such as the Startup India and Stand-Up India schemes, women entrepreneurs continue to struggle with limited financial access, societal barriers, and business sustainability. The landscape of entrepreneurship in India is changing, with women increasingly stepping into roles traditionally dominated by men. This report examines the challenges, opportunities, and governmental support mechanisms that impact women entrepreneurs' business performance and financial accessibility. It draws insights from a summer training report conducted at IMPART NGO in Kichha, Uttarakhand, focusing on the unique hurdles faced by women in the entrepreneurial ecosystem and the resources available to help them overcome these challenges. The lack of research on women entrepreneurship in developing countries, particularly in India, highlights the need for this study. While there is a growing body of literature on women entrepreneurship globally, there is a significant gap in understanding the specific challenges and opportunities faced by women entrepreneurs in India. This study aims to fill this knowledge gap by exploring the experiences of women entrepreneurs in India and identifying the challenges, opportunities, and government support that impact their business performance and financial accessibility.

2. Literature Review

2.1 Challenges Faced by Women Entrepreneurs

Bryson (2018) highlights the importance of strategic planning in organizations, emphasizing

that structured approaches enhance business efficiency. Cornforth (2012) and Ebrahim (2005) discuss governance and accountability, which are essential for entrepreneurial success. Women entrepreneurs often face difficulties in accessing credit due to a lack of collateral and limited financial history (Freeman, 2010). Studies show that societal biases, cultural restrictions, and family expectations further limit women's ability to expand their businesses (Ramesh, 2004).

2.2 Financial Accessibility and Market Barriers

Limited financial inclusion remains a major constraint for women entrepreneurs. Nicholls (2009) emphasizes Social Return on Investment (SROI) as a key metric to assess business impact, while Cousins (2007) explores participatory evaluation methods for social enterprises. Studies by Patton (2012) and OECD (2006) stress that lack of business training, financial literacy, and access to investment remain significant barriers for women entrepreneurs.

2.3 Government Initiatives for Women Entrepreneurship

Government schemes such as Pradhan Mantri Mudra Yojana (PMMY), Annapurna Scheme, and Women Development Corporation aim to support women entrepreneurs. However, empirical studies indicate that many women are unaware of these schemes or find the application processes cumbersome (Goud, 2000). Further, Ramesh (2004) suggests that simplified application procedures and increased awareness programs are essential for ensuring women entrepreneur

2.4 Digital Platforms and E-commerce

Digital platforms and e-commerce have created new opportunities for women entrepreneurs to start and grow their businesses. Online marketplaces, such as amazons and easy, provide women entrepreneurs with access to a global market. Additionally, social media platforms, such as Facebook and Instagram, provide women entrepreneurs with a cost-effective way to market and promote their product

2.5 Networking and Mentorship Opportunities

Networking and mentorship opportunities are critical for women entrepreneurs, as they provide access to valuable advice, guidance, and support. Women's business networks, such as the national association for women business owners, provide women entrepreneurs with opportunities to connect with peers and mentors. Additionally, mentorship programs, such as the micro mentor program, provide women entrepreneurs with access to experienced mentors.

2.6 Access to Finance and Financial Inclusion

Access to finance is a critical factor in determining the success of women entrepreneurs. Financial inclusion initiatives, such as microfinance programs and mobile banking, provide women entrepreneurs with access to financial services. Additionally, alternative financing options, such as crowd funding and peer-to-peer lending, provide women entrepreneurs with new ways to access finance.

• Government Support Programs

- The Indian government has implemented several programs to facilitate women's entrepreneurship, including:
- **Stand-Up India Scheme:** This initiative aims to provide loans to women entrepreneurs to start new enterprises, thereby encouraging self-employment and job creation.
- **Pradhan Mantri Mudra Yojana:** This program offers financial support to small businesses, enabling women entrepreneurs to access loans for their ventures.
- **National Skill Development Mission:** This mission focuses on equipping women with vocational skills that enhance their employability and ability to start their businesses.
- **Financial Inclusion Initiatives:** Efforts to improve access to banking services for women, such as microfinance programs and mobile banking, facilitate financial independence and business operations.

3. Research Methodology**3.1 Research Design**

The study employs a descriptive research design using primary and secondary data sources. A structured questionnaire was administered to 20 women entrepreneurs across different sectors. The research design refers to the overall strategy that one may choose to integrate the different components of the study in a coherent and logical way research design can also be considered as a blueprint or the roadmap for the collection, measurement, and analysis of data “a research design is the arrangement of conditions for collection and analysis of data in a manner that to combine relevance to the purpose with economy”

3.2 Sample and Data Collection

A random sampling technique was used to select participants. The sample included women entrepreneurs from four business categories:

Manufacturing (0%)

Services (35%)

Distribution (50%)

Other (15%)

Primary data was collected through structured interviews and surveys, while secondary data was sourced from published reports, government websites, and academic journals.

3.3 Data Analysis

Data analysis was conducted using percentage analysis and graphical representation. Key statistical tools included descriptive statistics, pie charts, and bar graphs. Data analysis is a process for obtaining raw data, and subsequently converting it into information useful for decision-making by users. Data is collected and analyzed to answer questions, test hypotheses, or disprove theories. Data interpretation is the process of assigning meaning to the data. It involves explaining those discovered patterns and trends in the data.

4. Findings and Discussion**4.1 Demographics and Education**

Age distribution: 50% of respondents were aged 20-40, while 40% were in the 40-60 age group.

Marital status: 75% were unmarried.

Education level: 40% of respondents had an education level below SSC (10th grade), highlighting a gap in educational qualifications among women entrepreneurs.

4.3 Challenges Faced by Women Entrepreneurs

Financial constraints (50%) were the most common challenge.

Limited family support (15%) and self-confidence issues (10%) further hindered business growth.

25% of respondents reported facing no major obstacles.

4.4 Government Support and Financial Accessibility

Awareness of government schemes:

PMMY (50%)

Women Development Corporation (10%)

Annapurna Scheme (5%)

Other schemes (35%)

4.5 Satisfaction with government support:

Highly satisfied (0%)

Satisfied (25%)

Dissatisfied (55%)

Highly dissatisfied (20%)

4.6 Access to Finance and Market Challenges

Sources of business funding:

Family loans (55%)

Bank loans (25%)

Government loans (15%)

Private lenders (5%)

4.6 Market and customer acquisition challenges:

Limited market access (40%)

Difficulty finding customers (30%)

Competition from established businesses (20%)

5. Recommendations and Policy Implications

5.1 Strengthening Financial Support Systems

Government agencies should simplify loan application procedures and reduce bureaucratic hurdles.

Financial institutions should provide low-interest microloans tailored to women entrepreneurs.

Expansion of digital financing platforms to improve accessibility to credit.

5.2 Enhancing Awareness and Training Programs

Increased awareness campaigns on existing government schemes.

Entrepreneurship development programs focusing on financial literacy, business strategy, and digital marketing.

5.3 Expanding Market Access for Women Entrepreneurs

Government and NGO should facilitate market linkages for women entrepreneurs.

Encouraging networking platforms such as mentorship programs and business incubators.

5.4 Encouraging Technology Adoption

Women entrepreneurs should be trained in e-commerce platforms, digital payments, and online marketing strategies.

Improve Access to Finance: Governments and financial institutions should provide women entrepreneurs with easier access to credit, loans, and other financial services.

Enhance Business Skills and Training: Governments and organizations should offer women entrepreneurs training and mentorship programs to enhance their business skills and knowledge.

Promote Networking Opportunities: Governments and organizations should facilitate networking opportunities for women entrepreneurs to connect with peers, mentors, and potential investors.

Encourage Women-Led Businesses: Governments and organizations should promote women-led businesses and provide incentives for women entrepreneurs to start and grow their businesses.

Address Social and Cultural Barriers: Governments and organizations should address social and cultural barriers that prevent women from becoming entrepreneurs, such as lack of family support and societal expectations.

Develop Targeted Policies: Governments should develop targeted policies and programs to support women entrepreneurs, such as providing access to finance, training, and mentorship.

Increase Funding for Women-Led Businesses: Governments should increase funding for women-led businesses and provide incentives for women entrepreneurs to start and grow their businesses.

Promote Women's Economic Empowerment: Governments should promote women's economic empowerment and address social and cultural barriers that prevent women from becoming entrepreneurs.

Encourage Public-Private Partnerships: Governments should encourage public-private partnerships to support women entrepreneurs and provide them with access to resources, networks, and markets.

Monitor and Evaluate Progress: Governments should monitor and evaluate progress in

supporting women entrepreneurs and make adjustments to policies and programs as needed.

Trends in Women Entrepreneurship

Increasing Representation: There has been a noticeable increase in the number of women-owned businesses in India, particularly in sectors such as services, retail, and manufacturing. This trend reflects a shift in societal attitudes towards women in business.

Focus on Social Entrepreneurship: Many women entrepreneurs are gravitating towards social enterprises that address societal issues such as health, education, and environmental sustainability, combining profit with purpose.

Utilization of Technology: Women entrepreneurs are increasingly leveraging technology for business operations, marketing, and customer engagement, thus enhancing their competitiveness in the market.

Challenges Ahead

Despite the progress, several challenges remain that could hinder the growth of women entrepreneurship in India:

Regulatory Barriers: Complex regulatory frameworks and bureaucratic processes can discourage women from starting or expanding their businesses.

Lack of Awareness: Many women entrepreneurs are unaware of the government schemes and financial products available to them, limiting their ability to access critical resources.

Economic Vulnerability: Economic downturns disproportionately affect women-owned businesses, which often lack the financial resilience and capital reserves to withstand financial shocks.

Gender Bias in Funding: Persistent gender bias in funding decisions continues to be a significant barrier, affecting women entrepreneurs' ability to secure financial backing.

6. Conclusion

This study highlights the challenges faced by women entrepreneurs in terms of financial constraints, limited market access, and societal barriers. While government support programs exist, awareness and accessibility remain low. The findings suggest that simplifying financial procedures, improving training programs, and enhancing market linkages can significantly improve business performance among women entrepreneurs. Future research can explore sector-specific challenges and the role of digital entrepreneurship in enhancing financial accessibility. The Indian government has taken several measures to support women entrepreneurs, incorporating initiatives in the 7th, 8th, and 9th Five-Year Plans. Women possess the capability and determination to establish, manage, and sustain enterprises in an organized manner. With adequate support and encouragement from society, families, and government bodies, women entrepreneurs can become an integral part of the national economy, contributing significantly to India's economic progress.

NGO play a crucial role in fostering women entrepreneurship by advocating for gender equality, providing essential services such as education, healthcare, and financial aid, and facilitating skill development programs. They empower women by offering training, networking opportunities, and access to resources that enable them to establish and sustain their businesses. Additionally, NGO conduct research and policy analysis to address systemic barriers, influencing government policies and driving social change. By bridging gaps in education, funding, and market access, NGO contribute significantly to the growth and success of women entrepreneurs, fostering a more inclusive economic environment.

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