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## Challenges Faced by Women Entrepreneurs and the Role of Ownership in Shaping Their Business Success and Sustainability

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### Abstract

Women entrepreneurship has emerged as a significant force in economic development and social transformation, yet women entrepreneurs continue to face numerous challenges that limit their business growth and sustainability. Financial constraints, such as restricted access to credit, collateral requirements, and investor biases, remain primary barriers, while socio-cultural factors including gender stereotypes, domestic responsibilities, and societal expectations further constrain women's entrepreneurial opportunities. Institutional gaps, such as inadequate policy support, poor access to professional networks, and limited training facilities, add to these difficulties. Psychological barriers such as self-doubt, risk aversion, and lack of mentorship further weaken women's ability to expand and sustain enterprises. Within this context, ownership plays a decisive role in shaping women's entrepreneurial success. Ownership not only provides women with financial independence and decision-making authority but also enhances their legitimacy, access to resources, and succession rights in family businesses. Conversely, lack of ownership restricts their bargaining power, visibility, and long-term growth prospects. By examining the challenges faced by women entrepreneurs and the crucial role of ownership, this paper highlights the need for comprehensive strategies that include policy reforms, financial inclusion, capacity building, and cultural change. Promoting women's ownership rights and addressing systemic barriers is essential for building sustainable enterprises, driving inclusive growth, and fostering gender equality in entrepreneurship.

**Keywords:** Women Entrepreneurship, Challenges, Ownership, Sustainability

### 1.Introduction

Entrepreneurship is widely acknowledged as a critical driver of economic growth, innovation, and job creation. Entrepreneurs not only establish businesses but also generate employment, introduce new products and services, and stimulate competition in markets. Within this broad field, the participation of women as entrepreneurs has emerged as both a social necessity and an economic imperative. Women entrepreneurs contribute significantly to national income, poverty reduction, and social development by engaging in diverse industries ranging from microenterprises to high-growth technology ventures. Despite their contributions, women



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entrepreneurs continue to face a multitude of challenges that hinder their progress and limit their potential impact.

The rise of women entrepreneurship has been uneven across regions and sectors. In developed countries, women entrepreneurs are increasingly visible in knowledge-based industries, professional services, and high-tech start-ups. In contrast, in developing and underdeveloped economies, women are more often engaged in small-scale, informal, and subsistence-level enterprises. This disparity highlights the structural, social, and cultural obstacles that women face, many of which are rooted in gender-based discrimination and unequal access to resources.

One of the central factors influencing the success of women entrepreneurs is ownership. Ownership determines not only control over resources and decision-making but also access to credit, networks, and business legitimacy. In societies where women's ownership of property and assets is restricted by law or custom, their entrepreneurial ventures are often undercapitalized and less sustainable. Conversely, women who have ownership rights—whether through sole proprietorship, family businesses, or partnerships—are better positioned to overcome external barriers and achieve long-term business success. Thus, ownership plays both a symbolic and practical role in shaping women's entrepreneurial journeys.

This paper aims to explore the challenges faced by women entrepreneurs and examine the role of ownership in influencing their business success and sustainability. The discussion will begin with a conceptual overview of women entrepreneurship, followed by an in-depth analysis of the financial, socio-cultural, institutional, and psychological barriers that hinder women-led enterprises. The paper will then critically assess how different ownership structures affect women entrepreneurs' ability to secure resources, exercise autonomy, and sustain growth. Case studies and examples from both developed and developing economies will illustrate the complexity of these dynamics. Finally, the paper will offer strategic recommendations for policymakers, financial institutions, and women entrepreneurs themselves to overcome these challenges and foster a more inclusive entrepreneurial ecosystem. By addressing both the barriers and the potential enablers, this paper emphasizes that women entrepreneurship is not merely a gender issue but a broader economic and developmental concern. Empowering women through equitable ownership structures and supportive environments can lead to more sustainable businesses, stronger economies, and more inclusive societies.

## **2. Concept of Women Entrepreneurship**

### **2.1 Defining Women Entrepreneurship**

Women entrepreneurship refers to the process by which women identify business opportunities, mobilize resources, and establish enterprises with the aim of generating income, creating value, and achieving independence. According to the Government of India, a woman entrepreneur is defined as an enterprise owned and controlled by a woman having a minimum financial interest



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of 51 percent of the capital and giving at least 51 percent of employment to women. While definitions vary across regions, the common elements are women's active ownership, control, and managerial responsibility.

Unlike traditional entrepreneurship, which has long been male-dominated, women entrepreneurship often emerges in contexts where women face multiple barriers—social, financial, and institutional. This makes women's entrepreneurial journeys distinct, as they often combine economic motivations with social and cultural challenges.

## 2.2 Historical Background and Global Trends

Historically, women have engaged in entrepreneurial activities in informal and domestic sectors—such as handicrafts, food processing, or retailing—where entry barriers were lower. However, the latter half of the 20th century saw a growing recognition of women's role in formal entrepreneurship. In the United States and Europe, feminist movements and changing labor market dynamics in the 1970s and 1980s encouraged women to pursue independent businesses. Globally, reports by the Global Entrepreneurship Monitor (GEM) indicate that women's entrepreneurial activity rates vary significantly. In high-income economies like the United States, Canada, and parts of Europe, women represent 30–40% of entrepreneurs. In contrast, in South Asia, the Middle East, and Africa, the figures remain lower, often below 20%, due to cultural norms and legal barriers. Yet, despite these differences, women-owned enterprises have grown steadily worldwide, reflecting increasing demand for inclusivity and equality.

## 2.3 Characteristics of Women Entrepreneurs

Research highlights several traits that characterize women entrepreneurs:

- **Motivational Drivers:** Many women are motivated by the need for economic independence, flexibility, and work–life balance. Others are driven by necessity, especially in developing countries where employment opportunities are scarce.
- **Risk Preferences:** Women are generally more risk-averse than men, often preferring stable and sustainable business models.
- **Management Style:** Women entrepreneurs tend to adopt participative leadership, focusing on collaboration, employee well-being, and customer satisfaction.
- **Innovation:** Many women-led businesses emphasize creativity, niche markets, and service-oriented models.

While these characteristics provide strengths—such as high customer loyalty and strong team culture—they can also limit scalability when paired with resource constraints.

## 2.4 Theoretical Perspectives

The study of women entrepreneurship has been enriched by several theoretical frameworks:



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1. **Schumpeter's Innovation Theory of Entrepreneurship** emphasizes innovation and risk-taking as the core of entrepreneurship. Women entrepreneurs contribute significantly by bringing unique ideas and products, especially in consumer-oriented industries.
2. **Feminist Theory of Entrepreneurship** argues that systemic gender inequality shapes women's entrepreneurial opportunities. This theory highlights how ownership, access to finance, and societal expectations restrict women's ability to compete equally with men.
3. **Human Capital Theory** suggests that education, skills, and experience determine entrepreneurial success. Since women often face unequal access to education and training, their businesses may be disadvantaged from the start.
4. **Social Role Theory** explains how cultural and gender roles influence entrepreneurial behavior. In many societies, women are expected to prioritize family responsibilities, limiting their time and energy for business activities.

## 2.5 Women Entrepreneurship Across Sectors

Globally, women entrepreneurs are concentrated in specific sectors, particularly those that require low start-up capital and align with gendered expectations. Common sectors include:

- **Retail and Wholesale Trade** (e.g., boutiques, food stalls, handicrafts).
- **Services** (e.g., beauty salons, daycare centers, healthcare services).
- **Agriculture and Allied Activities** (especially in rural economies).
- **Technology Startups** (growing among educated urban women in developed nations).

While women entrepreneurs are making inroads into high-growth sectors such as IT and biotechnology, their representation remains relatively low compared to men. This imbalance reflects both structural inequalities and differences in access to resources and networks.

## 2.6 Significance of Women Entrepreneurship

The importance of women entrepreneurship extends beyond individual success:

- **Economic Development:** Women-owned enterprises contribute significantly to GDP and employment generation.
- **Social Impact:** Women entrepreneurs often reinvest earnings in family welfare, education, and community development, creating broader social benefits.
- **Diversity and Innovation:** Women bring fresh perspectives and innovative approaches to business challenges, enhancing competitiveness.
- **Empowerment and Equality:** Entrepreneurship serves as a tool for women's empowerment, challenging stereotypes and fostering gender equality.

## 3. Challenges Faced by Women Entrepreneurs



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Women entrepreneurs play a critical role in shaping economies, generating employment, and contributing to social development. Yet their entrepreneurial journey is often marked by significant hurdles that stem from financial, social, cultural, institutional, and psychological barriers. These challenges not only restrict their ability to start and sustain businesses but also influence the scope, scale, and profitability of their ventures.

## 3.1 Financial Challenges

### Limited Access to Capital and Credit

One of the most persistent barriers for women entrepreneurs is restricted access to financial resources. Banks and investors often perceive women-owned enterprises as high-risk due to stereotypes about women's ability to manage finances and grow businesses. In many cases, loan applications from women are subjected to stricter scrutiny compared to male counterparts.

### Collateral Ownership Issues

A key reason for financial exclusion is women's limited ownership of assets such as land or property, which are typically required as collateral for loans. In patriarchal societies, property rights are skewed in favor of men, leaving women financially dependent and unable to secure credit. This lack of ownership translates directly into weaker bargaining power and constrained entrepreneurial autonomy.

### Investor Bias and Risk Perceptions

Venture capital and angel investment networks remain male-dominated. Studies have shown that female entrepreneurs often receive less funding, even when their business proposals are equally strong. The perception that women are more risk-averse discourages investors from backing women-led startups in high-growth sectors such as technology.

## 3.2 Socio-Cultural Challenges

### Gender Stereotypes and Discrimination

Cultural attitudes toward women's roles significantly shape entrepreneurial opportunities. In many societies, entrepreneurship is still considered a male domain, and women who attempt to break into this space are often questioned or discouraged. Stereotypes about women being less capable or committed create barriers to credibility and legitimacy.

### Work-Family Balance

Women are often expected to prioritize family responsibilities, including childcare, elder care, and household management. Balancing these responsibilities with business demands becomes overwhelming, especially in the absence of supportive family structures. The "double burden" reduces the time and energy women can invest in growing their enterprises.

### Societal Expectations





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In some regions, women are discouraged from engaging in public business activities due to cultural norms that favor domestic roles. Social restrictions on mobility, interaction with men, or participation in networks limit women's access to customers, suppliers, and mentors.

### 3.3 Institutional and Policy Barriers

#### Inadequate Government Support

Although many governments have launched programs to promote women's entrepreneurship, the reach and effectiveness of these schemes remain limited. Bureaucratic delays, lack of awareness, and poor implementation often prevent women from accessing these benefits.

#### Policy Framework Gaps

In developing economies, policies often fail to address the unique challenges faced by women entrepreneurs. For instance, tax incentives or subsidies are designed with large businesses in mind, while women-led microenterprises remain excluded.

#### Networking Barriers

Institutional support systems, such as business incubators and trade associations, are often male-centric, making it difficult for women to integrate. Limited access to professional networks restricts collaboration opportunities and market linkages.

### 3.4 Managerial and Operational Challenges

#### Lack of Formal Training and Skills

Women entrepreneurs often lack exposure to formal business education or professional training. Many learn business management on the job, which restricts their ability to scale operations, adopt technology, or innovate effectively.

#### Scaling Difficulties

While women succeed in establishing small enterprises, scaling into medium or large ventures remains rare. Limited networks, insufficient capital, and inadequate mentoring opportunities are major obstacles to expansion.

#### Limited Access to Technology

In today's digital economy, access to technology is vital for competitiveness. Yet women in rural and low-income contexts are often excluded from digital literacy programs, leaving them at a disadvantage in adopting e-commerce, digital marketing, or fintech solutions.

### 3.5 Psychological and Personal Challenges

#### Risk Aversion and Self-Doubt

Cultural conditioning often leads women to adopt risk-averse approaches in business. This mindset reduces their willingness to take bold steps such as entering competitive markets or seeking venture capital.

#### Lack of Confidence



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Many women entrepreneurs experience low self-confidence due to societal bias and lack of recognition. This “confidence gap” prevents them from negotiating effectively with banks, investors, or suppliers.

## Workplace Isolation

Women entrepreneurs often lack role models or mentors, particularly in male-dominated industries. The absence of guidance and peer support creates feelings of isolation and discouragement.

## 3.6 Real-World Case Examples

**India:** Many women entrepreneurs in rural India face barriers in securing loans because property is usually owned by men, limiting collateral options.

**United States:** Despite a vibrant entrepreneurial ecosystem, women-led startups receive less than 3% of venture capital funding, reflecting investor bias.

**Africa:** Women entrepreneurs dominate the informal economy but struggle to formalize their businesses due to policy barriers and cultural constraints.

## 4. Role of Ownership in Women Entrepreneurship

Ownership plays a central role in determining the success, growth, and sustainability of women’s entrepreneurial ventures. Beyond legal control of assets, ownership signifies access to decision-making power, financial independence, and credibility in business. For women entrepreneurs, the question of ownership is particularly crucial because in many societies, cultural norms and legal frameworks limit women’s ability to own property, inherit assets, or control financial resources. This section examines how different ownership structures shape women’s entrepreneurial opportunities, the link between ownership and empowerment, and the implications for business sustainability.

### 4.1 Understanding Ownership Structures

Women entrepreneurs can operate under several ownership models, each carrying distinct advantages and challenges:

1. **Sole Proprietorship** – The simplest form of ownership, where the entrepreneur has full control of the enterprise. For women, this structure offers autonomy and independence but also exposes them to higher personal financial risk.
2. **Partnerships** – Joint ownership with partners, which may include spouses, family members, or colleagues. Partnerships can provide financial and managerial support, but women often experience unequal decision-making power in male-dominated partnerships.
3. **Family-Owned Businesses** – In many countries, women engage in businesses that are extensions of family enterprises. While family backing provides legitimacy and resources, patriarchal structures may restrict women’s influence over key decisions.



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4. **Corporate Ownership** – Women entrepreneurs who establish private limited companies or larger corporations benefit from formal recognition, access to funding, and opportunities to scale. However, entry barriers are higher, and women are underrepresented in corporate entrepreneurship.

## 4.2 Ownership and Financial Independence

Ownership directly affects women's access to finance. Banks and investors typically require proof of ownership of assets such as land, property, or business shares before extending credit. When women lack ownership rights, they are excluded from formal financial systems and forced to depend on personal savings or informal loans. Conversely, women who legally own assets or businesses gain financial independence, enabling them to:

- Secure loans and attract investors.
- Reinvest profits for business expansion.
- Negotiate with suppliers and stakeholders on equal terms.

For example, in countries where women have stronger property rights (e.g., Nordic nations), female entrepreneurs are more likely to run sustainable and scalable businesses compared to regions with restrictive inheritance laws.

## 4.3 Ownership and Decision-Making Power

Entrepreneurship requires autonomy in decision-making. Ownership empowers women to make strategic choices about investments, hiring, innovation, and expansion. Without ownership, women often face interference from male relatives or partners, undermining their ability to steer their businesses.

A woman running a sole proprietorship, for instance, can independently decide on product design, marketing strategies, or technology adoption. By contrast, in family-owned enterprises, her decisions may be overridden by male family members who hold legal ownership. Thus, ownership determines not only economic outcomes but also women's capacity to exercise leadership and managerial authority.

## 4.4 Ownership and Legitimacy

In many cultures, legitimacy is tied to ownership. A woman entrepreneur who legally owns her business enjoys greater recognition in markets, institutions, and communities. Legal ownership provides her with licenses, tax registrations, and credibility, which are essential for building trust with customers and partners.

Legitimacy through ownership also protects women from exploitation. For example, women without ownership rights in family businesses may contribute significant labor but receive little recognition or profit. By contrast, legal ownership ensures that women are acknowledged as equal stakeholders in their enterprises.

## 4.5 Ownership, Succession, and Inheritance





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Succession planning is another area where ownership plays a critical role. In many family businesses, daughters are overlooked in favor of sons during succession, even if the daughter is more qualified. This practice perpetuates male dominance and denies women long-term entrepreneurial opportunities. Ensuring equal inheritance rights for women is therefore essential for creating a pipeline of women leaders in entrepreneurship.

Countries that have reformed inheritance laws to grant women equal rights to property—such as Rwanda and parts of Latin America—have witnessed higher rates of women-owned enterprises. These examples show that ownership rights are fundamental to empowering women and ensuring the continuity of women-led businesses.

## 5. Strategies to Overcome Challenges

The persistence of barriers in women's entrepreneurship calls for targeted strategies that address financial, socio-cultural, institutional, and ownership-related challenges. Effective interventions must involve government policies, financial institutions, educational frameworks, and social movements, ensuring a holistic approach to women's empowerment in business.

### 5.1 Strengthening Policy Frameworks

Governments play a vital role in enabling women's entrepreneurship. Policies should focus on:

- Simplifying registration and licensing procedures for small enterprises.
- Offering tax incentives, grants, and subsidies targeted at women-owned businesses.
- Establishing gender-sensitive laws that promote equal ownership and inheritance rights.

Dedicated government bodies, such as women entrepreneurship cells and business incubators, can further support women through mentorship, advisory services, and networking opportunities.

### 5.2 Enhancing Access to Finance

Financial barriers remain the most critical challenge for women entrepreneurs. To address this:

- **Microfinance institutions** should design women-focused loan products with lower collateral requirements.
- **Commercial banks** should adopt gender-sensitive credit evaluation methods to reduce bias.
- **Venture capital funds** dedicated to women-led startups can help overcome investor discrimination.

Initiatives like women-specific credit guarantee schemes can provide a safety net, encouraging financial institutions to support women entrepreneurs.

### 5.3 Education, Training, and Mentorship

Building women's managerial and technical skills is essential for sustainable entrepreneurship.

Training programs should focus on:

- Financial literacy, digital literacy, and leadership skills.
- Use of modern technologies such as e-commerce and digital marketing.



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- Continuous mentorship through women's business associations and successful entrepreneurs.

Mentorship programs not only provide knowledge but also create role models, boosting women's confidence and resilience.

## 5.4 Building Strong Networks and Associations

Networking enhances market access, collaboration, and peer support. Women entrepreneurs should be encouraged to participate in professional associations, trade fairs, and online platforms. Women-only chambers of commerce and international networks can provide visibility and create global linkages.

## 5.5 Promoting Gender-Sensitive Ownership Structures

Ownership reforms are crucial for long-term empowerment. Governments and civil society must promote:

- Equal property and inheritance rights for women.
- Joint ownership of family businesses and assets.
- Legal frameworks that ensure recognition of women's contributions in partnerships and family enterprises.

Such reforms enhance women's bargaining power, financial independence, and ability to sustain enterprises across generations.

## 6. Conclusion

Women entrepreneurship represents both an economic necessity and a tool for social transformation, yet women continue to encounter financial, cultural, institutional, and psychological barriers that restrict their entrepreneurial growth and long-term sustainability. Limited access to credit, lack of collateral, and investor bias hinder women from securing adequate financial resources, while gender stereotypes, work-family pressures, and cultural expectations reduce their freedom and legitimacy in the business world. Institutional gaps such as weak policy frameworks, poor implementation of government schemes, and exclusion from professional networks further marginalize women entrepreneurs, while inadequate training and digital literacy limit their ability to innovate and scale enterprises. Among the many factors influencing women's entrepreneurial journeys, ownership emerges as a decisive determinant of success. Ownership not only enables financial independence and access to credit but also provides legitimacy, control over decision-making, and continuity through succession planning. In societies where women lack property rights or are excluded from family business ownership, their contributions remain undervalued and their ventures undercapitalized, reinforcing structural inequality. Conversely, granting women equal ownership rights and recognition strengthens their bargaining power, confidence, and resilience, empowering them to lead competitive and innovative businesses. Addressing these challenges requires coordinated efforts—governments



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must enact gender-sensitive policies and inheritance laws, financial institutions must provide inclusive credit facilities, and educational systems must prioritize women-focused training and mentorship. promoting women's entrepreneurship through equitable ownership is not just about individual empowerment; it is a pathway to inclusive economic development, sustainable enterprises, and more equitable societies.

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