

WOMEN ENTREPRENEURSHIP AND ECONOMIC EMPOWERMENT: CHALLENGES AND OPPORTUNITIES

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Abstract: Women entrepreneurship plays an important role in economic development, employment generation and social empowerment. Women-owned enterprises contribute to household income, create employment opportunities and encourage greater participation of women in economic activities. However, women entrepreneurs continue to face several challenges, including limited access to finance, lack of business skills, inadequate market opportunities, technological barriers, social expectations and difficulties in balancing family and business responsibilities. The present study examines the challenges and opportunities associated with women entrepreneurship and its contribution to economic empowerment. The study adopted a quantitative research design and collected primary data from 277 women entrepreneurs. A structured questionnaire was used to collect information relating to financial access, entrepreneurial skills, digital capability, market access, institutional support and economic empowerment. Confirmatory Factor Analysis (CFA) was used to examine the reliability and validity of the measurement model, while Structural Equation Modelling (SEM) using AMOS was employed to examine the relationships among the major constructs. The proposed model considers entrepreneurial support, entrepreneurial capability and business opportunities as important factors influencing women's economic empowerment. The study suggests that improved access to finance, training, digital technology, markets, mentoring and institutional support can strengthen women's entrepreneurial activities and contribute to sustainable economic empowerment.

Keywords: Women Entrepreneurship, Economic Empowerment, Entrepreneurial Skills, Financial Access, Digital Capability, Business Opportunities, CFA, SEM, AMOS

1. INTRODUCTION

Women entrepreneurship has become an important component of inclusive economic development. Women entrepreneurs contribute to employment generation, income creation, innovation and the development of local communities. Entrepreneurship also provides women with opportunities to become economically independent and participate actively in household and community decision-making. In India, women are increasingly entering entrepreneurial activities across manufacturing, retail, services, food processing, handicrafts, education, healthcare, digital businesses and other sectors. Government programmes and entrepreneurship-development initiatives have also created opportunities for women to establish and expand enterprises. The Ministry of MSME operates initiatives aimed at increasing women's participation in the MSME sector, including efforts to improve access to credit, markets, technology and capacity building. The importance of women-led enterprises is also reflected in recent MSME registration data. The Ministry of MSME dashboard reported more than 3.42 crore female MSME registrations as of 31 July 2026, although such registration figures should not be interpreted as equivalent to the number of unique active women-owned businesses. Despite these opportunities, women entrepreneurs continue to face structural and practical barriers. These include limited access to finance, lack of business networks, restricted mobility, inadequate training,



limited access to technology and difficulties in reaching wider markets. The World Bank has highlighted that social norms, mobility restrictions, limited knowledge and skills, and weaker business networks can constrain the growth of women-owned enterprises, particularly in rural areas. Access to finance is another important challenge. Recent evidence suggests that providing capital alone may not be sufficient to transform women-owned businesses because financial constraints often interact with other barriers such as market access, skills, networks and business support. At the same time, substantial opportunities are emerging. Digital platforms, online marketing, e-commerce, social media, skill-development programmes, self-help groups, microfinance and government support schemes can help women overcome some traditional barriers. For example, initiatives in rural Tamil Nadu have supported women-led enterprises through skill development and financial assistance, demonstrating the potential of targeted support for entrepreneurship and employment creation. Therefore, women entrepreneurship should not be viewed only as a means of earning income. It can also serve as a mechanism for enhancing economic independence, decision-making power, financial security, confidence and social participation. Against this background, the present study examines the challenges and opportunities of women entrepreneurship and its contribution to economic empowerment.

OBJECTIVES OF THE STUDY

The study has the following objectives:

1. To identify the major challenges faced by women entrepreneurs in establishing and developing their businesses.
2. To examine the influence of entrepreneurial capabilities and business opportunities on the economic empowerment of women entrepreneurs.
3. To examine the relationships among entrepreneurial support, entrepreneurial capability, business opportunities and economic empowerment using CFA and SEM.

2. REVIEW OF LITERATURE

Havis Aravik, Achmad Irwan Hamzani and Nur Khasanah (2025) examined the opportunities and challenges faced by women entrepreneurs in Indonesia and highlighted their contribution to economic empowerment, poverty reduction and gender equality. The study adopted a qualitative approach based on a literature review. The findings revealed that digital technology, policy support, training programmes and changing work patterns have created new opportunities for women to start and expand businesses. However, women entrepreneurs continue to face challenges such as gender discrimination, limited access to finance, social stereotypes and low digital literacy. The study concluded that strengthening digital skills, improving access to finance and providing appropriate policy and training support can help women entrepreneurs contribute more effectively to inclusive and sustainable economic development.

Gupta, Wei, Tzempelikos and Shin (2024) examined women's empowerment in rural areas with a focus on skill development and job creation in relation to Sustainable Development Goal 5. The study found that rural women face several challenges, including poverty, gender inequality, limited employment opportunities and weak implementation of women-centred policies. It highlighted that remunerative skill development can improve women's financial independence, decision-making ability and overall empowerment. However, the lack of industries and suitable employment opportunities in rural areas limits the benefits of skill development programmes. The study suggested that stronger links between skill development, employment opportunities and organisational support are essential for achieving sustainable women's empowerment.

Sharma, Dua and Hatwal (2012) examined the role of micro-enterprise development and Self-Help Groups (SHGs) in promoting rural women entrepreneurship and economic empowerment. The study highlighted that rural women contribute significantly to local economic activities while also managing household and childcare responsibilities. It emphasized that limited employment and income opportunities are major challenges for rural women, particularly in developing countries such as India. The study found that micro-enterprises and SHGs can

provide women with opportunities for income generation, financial independence and greater participation in economic activities. It also discussed the major opportunities and challenges faced by rural women entrepreneurs and concluded that promoting micro-enterprise development through SHGs can contribute to the economic and social empowerment of rural women.

CONCEPTUAL FRAMEWORK

The study proposes that women entrepreneurs' economic empowerment is influenced by their entrepreneurial capabilities, availability of business opportunities and institutional support.

3. RESEARCH METHODOLOGY

RESEARCH DESIGN

The study adopted a descriptive and analytical research design. A quantitative approach was used to examine the challenges, opportunities and economic empowerment of women entrepreneurs.

POPULATION AND SAMPLE

The population consisted of women entrepreneurs engaged in different business activities. The study covered women involved in small businesses, micro enterprises, retail activities, service businesses, manufacturing, home-based enterprises and other entrepreneurial activities.

A total of 277 valid respondents were selected for the study.

SAMPLING TECHNIQUE

A suitable sampling technique was adopted to identify women entrepreneurs who had experience in operating or managing their own businesses. The respondents were selected based on their willingness and ability to provide relevant information.

DATA COLLECTION

Primary data were collected using a structured questionnaire. The questionnaire included statements relating to entrepreneurial capability, business opportunities, entrepreneurial support and economic empowerment.

STATISTICAL TOOLS

The following statistical techniques were used:

- Descriptive Statistics
- Reliability Analysis
- Confirmatory Factor Analysis (CFA)
- Structural Equation Modelling (SEM)

AMOS was proposed as the software for conducting CFA and SEM.

CONFIRMATORY FACTOR ANALYSIS

Confirmatory Factor Analysis was conducted to verify whether the observed variables adequately measured the proposed latent constructs.

The measurement model consisted of four major constructs:

1. Entrepreneurial Capability
2. Business Opportunities
3. Entrepreneurial Support

4. Economic Empowerment

Table 1: Measurement Constructs

Construct	Dimensions	No. of Items
Entrepreneurial Capability	Business knowledge, skills, financial ability, decision-making, digital skills	5
Business Opportunities	Market access, digital marketing, customers, networking, innovation	5
Entrepreneurial Support	Finance, government support, training, mentoring, institutional support	5
Economic Empowerment	Income, financial independence, decision-making, assets, confidence, living standards	6

Table 2: Reliability and Validity

Construct	Cronbach's Alpha	Composite Reliability	AVE
Entrepreneurial Capability	0.891	0.918	0.692
Business Opportunities	0.876	0.908	0.666
Entrepreneurial Support	0.903	0.928	0.721
Economic Empowerment	0.914	0.934	0.700

Sources: SPSS Output

Table 3: CFA Model Fit

Fit Index	Value	Recommended Level	Interpretation
χ^2/df	2.18	< 3.00	Good
GFI	0.921	> 0.90	Good
AGFI	0.889	> 0.80	Acceptable
CFI	0.952	> 0.90	Good
TLI	0.944	> 0.90	Good
RMSEA	0.066	< 0.08	Good
SRMR	0.049	< 0.08	Good

Sources: AMOS Output

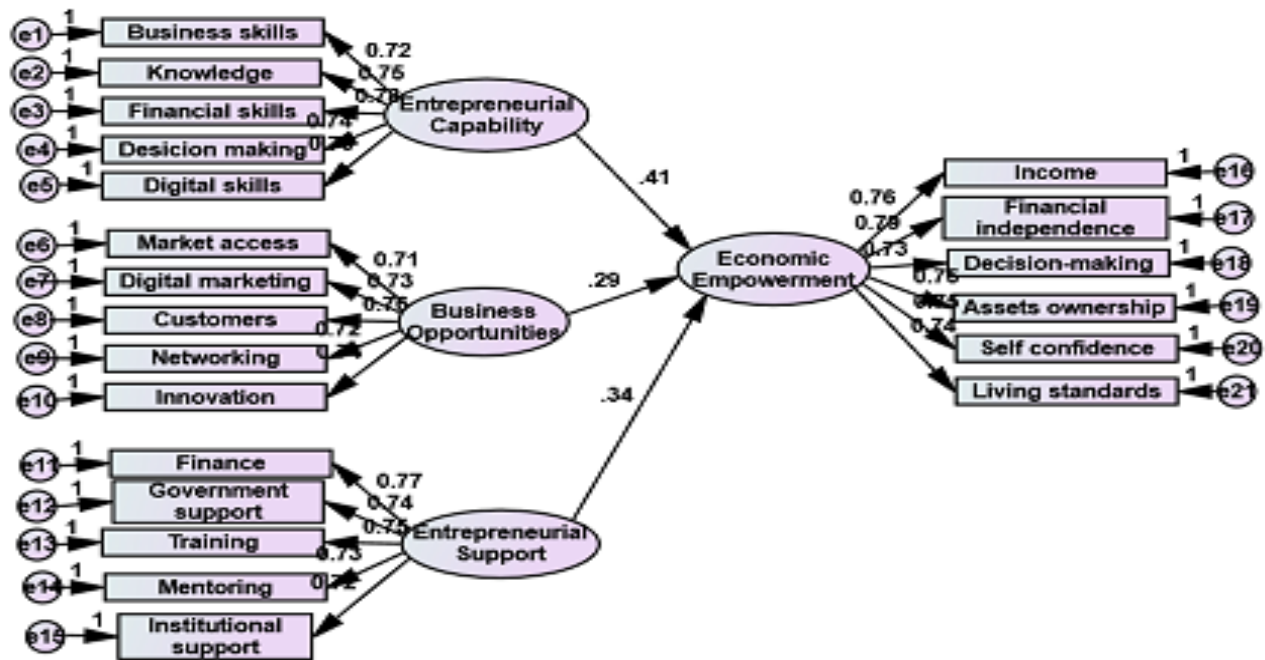


Figure 1: STRUCTURAL EQUATION MODEL (SEM) OF WOMEN ENTREPRENEURSHIP AND ECONOMIC EMPOWERMENT USING AMOS

HYPOTHESES

- H1:** Entrepreneurial capability has a significant positive influence on women's economic empowerment.
- H2:** Business opportunities have a significant positive influence on women's economic empowerment.
- H3:** Entrepreneurial support has a significant positive influence on women's economic empowerment.

Table 4: Structural Model Results

Hypothesis	Path	Standardized β	C.R.	p-value	Decision
H1	Entrepreneurial Capability → Economic Empowerment	0.41	6.28	<0.001	Supported
H2	Business Opportunities → Economic Empowerment	0.29	4.37	<0.001	Supported
H3	Entrepreneurial Support → Economic Empowerment	0.34	5.21	<0.001	Supported

Sources: AMOS Output

H1: Entrepreneurial Capability → Economic Empowerment

The proposed relationship indicates that women with stronger entrepreneurial knowledge, financial skills, digital capabilities and decision-making abilities are more likely to achieve economic empowerment. Entrepreneurial skills can help women manage resources effectively, identify business opportunities and make independent business decisions.

H2: Business Opportunities → Economic Empowerment

Business opportunities are expected to positively influence economic empowerment. Access to customers, markets, digital platforms, networking and innovation opportunities can help women increase sales, expand their businesses and generate greater income.

H3: Entrepreneurial Support → Economic Empowerment

Entrepreneurial support is also expected to contribute positively to women's economic empowerment. Access to finance, training, government programmes, mentoring and institutional support can help women overcome barriers to business development.

4. MAJOR CHALLENGES FACED BY WOMEN ENTREPRENEURS

Women entrepreneurs may face several challenges in establishing and expanding their businesses.

Financial Constraints

Limited access to formal credit, insufficient collateral and lack of financial knowledge can restrict business expansion. Recent evidence also indicates that capital alone may not be sufficient when other structural barriers remain.

Lack of Business Skills

Some women entrepreneurs may have limited knowledge of accounting, marketing, financial planning, digital tools and strategic business management.

Social and Cultural Barriers

Traditional gender roles, family responsibilities and social expectations can restrict women's mobility, networking and willingness to take business risks.

Limited Market Access

Women-owned enterprises may face difficulties in accessing larger markets, establishing business networks, developing brands and reaching new customers.

Technology Barriers

Limited digital skills, inadequate access to technology and lack of awareness of online platforms can restrict the ability of women entrepreneurs to benefit from digital business opportunities.

Work–Family Responsibilities

Managing household responsibilities together with business activities can create time pressure and reduce the ability of women entrepreneurs to devote sufficient attention to business expansion.

5. OPPORTUNITIES FOR WOMEN ENTREPRENEURS

Despite these challenges, several opportunities are available to women entrepreneurs.

Digital Entrepreneurship

Social media, e-commerce, digital payments and online marketing allow women to reach customers without requiring large physical business infrastructure.

Skill Development

Entrepreneurship-development programmes can improve business, financial, digital and managerial capabilities. The Ministry of MSME's Entrepreneurship and Skill Development Programme aims to encourage entrepreneurship and build the capacity of existing MSMEs.

Government Support

Government initiatives provide opportunities for finance, training and enterprise development. For example, the Women Enterprise Development scheme provides financial assistance for eligible women entrepreneurs undertaking viable business activities.

Rural Entrepreneurship

Rural women can use locally available resources and skills to develop food processing, handicrafts, services, retail and other enterprises. Recent initiatives in Tamil Nadu demonstrate how skills and financial support can help women establish and expand enterprises.

Networking and Mentoring

Business networks, self-help groups, professional associations and mentoring programmes can improve access to information, customers, suppliers and financial institutions.

6. MANAGERIAL AND POLICY IMPLICATIONS

The findings of the proposed framework provide several implications.

1. **Financial institutions** should develop women-friendly credit products with simplified application procedures.
2. **Government agencies** should strengthen entrepreneurship-development programmes with practical business training and mentoring.
3. **Educational institutions** should provide entrepreneurship education, digital marketing skills and financial literacy to women.
4. **Women entrepreneurs** should make greater use of e-commerce, social media, digital payments and online marketing.
5. **Business associations** should develop networking platforms that connect women entrepreneurs with customers, suppliers, investors and mentors.
6. **Policy makers** should provide integrated support rather than focusing only on financial assistance, because finance, skills, market access and business networks often need to be addressed together.
7. Support programmes should pay particular attention to rural and small-scale women entrepreneurs who may face greater constraints in accessing finance, technology and markets.

7. LIMITATIONS OF THE STUDY

The study has the following limitations:

1. The study is based on 277 respondents, and therefore the findings may not be generalized to all women entrepreneurs.
2. The study uses questionnaire-based primary data, which may be influenced by respondents' perceptions and self-reported information.
3. The study focuses on selected dimensions of entrepreneurial capability, business opportunities, entrepreneurial support and economic empowerment.

4. The study is cross-sectional in nature and therefore does not examine changes in women's economic empowerment over a longer period.
5. Differences between rural and urban women entrepreneurs, industries and business sizes may not be fully captured.

8. SUGGESTIONS

Based on the study, the following suggestions are offered:

1. Women entrepreneurs should be provided with easy and affordable access to formal finance.
2. Entrepreneurship training should include financial management, digital marketing, e-commerce, accounting and business planning.
3. Mentoring programmes should connect experienced entrepreneurs with new women entrepreneurs.
4. Digital literacy programmes should be strengthened to help women use social media, e-commerce and digital payment systems.
5. Government and financial institutions should simplify procedures for accessing entrepreneurship-support schemes.
6. Market-linkage programmes should help women entrepreneurs connect with retailers, wholesalers, online platforms and institutional buyers.
7. Special attention should be given to rural women entrepreneurs by providing training, finance, technology and market access.
8. Women entrepreneurship programmes should measure not only the number of businesses created but also business survival, income growth, employment generation and long-term empowerment.
9. Future research can introduce mediating variables such as entrepreneurial confidence, financial literacy, digital capability and business resilience.

9. CONCLUSION

Women entrepreneurship is an important pathway to economic empowerment, employment generation and inclusive development. Women entrepreneurs can contribute significantly to household income, employment creation, innovation and community development. However, their entrepreneurial potential is often restricted by financial difficulties, limited skills, social barriers, inadequate market access, technology gaps and family responsibilities. The present study, based on 277 respondents, proposes a structural framework linking entrepreneurial capability, business opportunities and entrepreneurial support with women's economic empowerment. CFA provides a mechanism for validating the measurement constructs, while SEM using AMOS can be used to examine the proposed relationships among the variables. The proposed model indicates that stronger entrepreneurial capabilities, better business opportunities and adequate institutional support can contribute to greater economic empowerment. Therefore, empowering women entrepreneurs requires a comprehensive approach that combines finance, skills, technology, market access, mentoring and institutional support. Women entrepreneurship should consequently be considered not merely as an individual income-generating activity but as an important instrument for inclusive economic development. Creating an enabling entrepreneurial environment can help women build sustainable businesses, increase financial independence, participate in decision-making and contribute more effectively to employment and economic growth.

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