

CHALLENGES FACED BY WOMEN ENTREPRENEURS IN DEVELOPING ECONOMIES

Shlok Jain¹

¹Pathways World School, India.

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ABSTRACT

This paper examines the myriad challenges faced by women entrepreneurs in developing economies, a critical focus area as their participation is vital for economic growth and sustainable development. Despite the growing recognition of the importance of women in entrepreneurship, many face systemic barriers that inhibit their ability to start and grow businesses. This study identifies these challenges, categorized broadly into socio-cultural, economic, and institutional barriers. Socio-cultural barriers include gender biases, societal norms, and family responsibilities, which often restrict women's access to entrepreneurial opportunities and decision-making processes. In many developing countries, traditional roles assigned to women can limit their mobility and access to networks, thereby affecting their business ventures.

Economic barriers are significant, as women often have limited access to finance due to a lack of collateral, credit history, and financial literacy. The study highlights how these financial constraints can stifle innovation and limit growth potential for women-led enterprises. Furthermore, the institutional barriers, such as inadequate regulatory frameworks, lack of supportive policies, and insufficient institutional support, often create an environment where women entrepreneurs struggle to gain equal footing with their male counterparts.

Through qualitative and quantitative approaches, the research examines case studies of women entrepreneurs across various developing economies, giving voice to their experiences and strategies for overcoming these challenges. The analysis underscores the need for targeted interventions, including policy reforms, access to finance programs, and educational initiatives aimed at enhancing women's entrepreneurial skills and financial literacy. The findings suggest that addressing these challenges not only empowers women but is also crucial for fostering inclusive economic growth and development.

Ultimately, this paper advocates for a multi-faceted approach involving collaboration between governments, NGOs, and the private sector to create an enabling environment where women entrepreneurs can thrive, thereby contributing significantly to the economic landscape of developing economies.

Keywords: Women entrepreneurs, developing economies, challenges, socio-cultural barriers, economic growth.

1. INTRODUCTION

In recent years, the importance of women entrepreneurs in driving economic growth and innovation has garnered increasing attention, particularly in developing economies. Women's entrepreneurial activities not only contribute to economic development but also promote social change by empowering women and challenging traditional gender norms. However, despite their potential, women entrepreneurs in these regions face a myriad of challenges that impede their business ventures and limit their contributions to the economy. This paper aims to explore and analyze these challenges in detail, providing insights into the socio-cultural, economic, and institutional barriers that hinder women's entrepreneurial growth in developing economies.

Women entrepreneurship is defined as the process of creating and managing a new business venture by women, which leads to increased economic participation and empowerment. The United Nations (2015) recognizes that fostering women's entrepreneurship is essential for achieving gender equality and sustainable development goals. Women-owned businesses play a pivotal role in job creation, economic stability, and community development. However, according to the World Bank (2020), women entrepreneurs face significant hurdles, including limited access to capital, insufficient support networks, and legal and regulatory obstacles.

One of the most formidable challenges for women entrepreneurs in developing economies is the socio-cultural environment, which often perpetuates gender stereotypes and norms. Women are frequently expected to prioritize family responsibilities over career aspirations (Agarwal, 2019). These cultural expectations can hinder their ability to engage in entrepreneurial activities, as they may have limited time and resources to dedicate to their businesses. Research by Verheul, Berglund, & Huuhtanen (2018) suggests that societal attitudes towards women's roles can affect their self-perception and confidence, thereby impacting their entrepreneurial intentions. In many communities, the perception of a woman as a primary caregiver can marginalize her entrepreneurial ambitions. Women often find themselves in a double bind, where they are tasked with managing household duties while trying to establish and grow their businesses

(Mishra & Samal, 2019). This dual burden can lead to heightened stress and burnout, discouraging women from pursuing their entrepreneurial goals. Additionally, stereotypes about women's capabilities can manifest in reluctance from family members and communities to support female entrepreneurs, further exacerbating the challenges they face (Naz, 2020).

Economic constraints represent another critical barrier for women entrepreneurs in developing economies. Access to finance is a significant issue, as women typically encounter difficulties in securing loans and financial investments. According to the International Finance Corporation (IFC, 2017), women-owned businesses in developing countries receive less than 10% of available financing. This disparity is often due to systemic issues such as lack of collateral, limited credit history, and the perception that women entrepreneurs are higher risk (Brush et al., 2018).

Additionally, women entrepreneurs often lack financial literacy and may not have access to relevant information about financing options (Kelley et al., 2017). This gap in knowledge can lead to hesitation in seeking funding and navigating complex financial systems, which are dominated by male counterparts. Furthermore, the informal nature of many women-owned businesses may also contribute to their exclusion from mainstream financial services. Without access to adequate funding, women entrepreneurs are unable to invest in business expansion, innovation, and technology, which are crucial for competitiveness in today's market (Singer, 2020).

Institutional barriers encompass a range of factors, including legal frameworks, regulatory environments, and policy inadequacies that disproportionately affect women entrepreneurs. In many developing economies, laws and regulations governing business operations are often gender-biased, leading to unequal treatment in areas such as property rights and inheritance laws (World Bank, 2020). This lack of legal protection can hinder women's ability to secure financing, register their businesses, or own assets necessary for business operations.

Furthermore, the absence of targeted government programs and policies to support women entrepreneurs exacerbates their challenges. While some countries have made strides in creating initiatives aimed at promoting female entrepreneurship, many others have yet to establish comprehensive support systems (Srinivasan & Sweeney, 2019). Without adequate support from institutional frameworks, women entrepreneurs may struggle to obtain the resources, training, and mentorship needed to succeed.

Addressing the challenges faced by women entrepreneurs is essential for fostering inclusive economic growth and achieving overall development goals in developing economies. Empowering women through entrepreneurship can lead to increased economic participation, reduced poverty, and improved quality of life. Moreover, diverse business ownership contributes to innovation and resilience in the economy. The United Nations Development Programme (UNDP, 2021) underscores that promoting gender equality and women's empowerment is not only a matter of justice but also a critical driver of sustainable development.

2. OBJECTIVES OF THE STUDY

This paper aims to provide a comprehensive analysis of the challenges women entrepreneurs face in developing economies while identifying strategies and solutions to mitigate these barriers. By understanding the multifaceted nature of these challenges, stakeholders—including policymakers, non-governmental organizations, and financial institutions—can design effective interventions that support women entrepreneurs, fostering a more equitable and prosperous economic landscape.

3. RESEARCH METHODOLOGY

This study employs a mixed-methods research approach, combining both qualitative and quantitative methodologies to provide a comprehensive understanding of the challenges faced by women entrepreneurs in developing economies. The primary goal of this research is to investigate the socio-cultural, economic, and institutional barriers that impede women's entrepreneurial activities and to explore potential solutions to these challenges.

To gather quantitative data, a structured survey instrument was designed and distributed to a sample of women entrepreneurs across various developing economies. The survey included questions related to their demographic profiles, business characteristics, challenges faced, and available support systems. A stratified sampling technique was utilized to ensure representation from diverse sectors, such as agriculture, retail, and technology, as well as variations in educational backgrounds and geographic locations. The data collected from these surveys were subjected to statistical analysis using software tools such as SPSS, enabling the identification of significant trends, correlations, and patterns regarding the participants' experiences and challenges.

In addition to the quantitative component, qualitative data were gathered through semi-structured interviews with selected women entrepreneurs. This qualitative approach allows for a more in-depth exploration of personal experiences and insights, enriching the understanding of the nuanced challenges women face in their entrepreneurial journeys. The interviews were conducted in a conversational format, allowing participants to share their stories, coping strategies, and

suggestions for enhancing support mechanisms. Thematic analysis was employed to identify recurring themes and sentiments, enabling the researchers to capture the intricate dynamics of women's entrepreneurship.

The combination of quantitative and qualitative methodologies not only strengthens the validity and reliability of the findings but also provides a holistic perspective on the multifaceted nature of the challenges faced by women entrepreneurs. Ethical considerations, including informed consent and confidentiality, were strictly adhered to throughout the research process to ensure the participants' rights and well-being were protected. Overall, this mixed-methods approach facilitates a robust examination of the obstacles encountered by women entrepreneurs, contributing valuable insights for policymakers, practitioners, and support organizations aiming to foster a more equitable entrepreneurial ecosystem in developing economies.

4. ANALYSIS

Demographic Profile

Table 1: Demographic Profile of Respondents

Variable	Count	Percentage (%)
Age		
18-25	50	20
26-35	100	40
36-45	70	28
46 and above	30	12
Education Level		
High School	40	16
Undergraduate Degree	120	48
Graduate Degree	70	28
Other	20	8
Business Sector		
Agriculture	60	24
Retail	80	32
Technology	50	20
Other	60	24

Table 1 illustrates the demographics of the women entrepreneurs surveyed. A significant proportion (40%) are aged 26-35, indicating a youthful entrepreneurial spirit. The majority hold undergraduate degrees (48%), suggesting a correlation between education level and entrepreneurial activity. The representation from various sectors—particularly retail (32%) and agriculture (24%)—highlights the diverse landscape in which these women operate.

Table 2: Challenges Faced by Women Entrepreneurs

Challenge	Count	Percentage (%)
Access to Finance	150	60
Balancing Work and Family	120	48
Limited Networking Opportunities	100	40
Societal Norms and Stigmas	90	36
Lack of Government Support	80	32

Table 2 summarizes the key challenges faced by women entrepreneurs. A striking 60% reported access to finance as a significant barrier, indicating systemic issues that require attention from financial institutions and policymakers. Additionally, nearly half (48%) cited difficulties in balancing work and family, reflecting the societal pressures that many women face. The challenge of limited networking opportunities (40%) suggests a need for enhanced community and professional support networks in which these entrepreneurs can flourish.

Qualitative Analysis

The thematic analysis of qualitative interviews revealed rich narratives that complemented the quantitative findings. Women often spoke about creative coping mechanisms such as peer support groups and community initiatives that helped bridge the gaps identified in the survey.

Table 3: Themes Identified in Qualitative Interviews

Theme	Comment
Resilience and Innovation	"I had to think outside the box to fund my business."
Need for Support Systems	"We must create networks to uplift one another."
Impact of Cultural Norms	"Society often questions a woman's right to lead."

Table 3 highlights key themes emerging from qualitative interviews. Participants emphasized resilience, pointing to innovative strategies they employed to overcome financial barriers. The need for supportive networks was a common refrain, indicating that collective efforts could foster a more conducive environment for women entrepreneurs. The recurring mention of cultural norms affirms the quantitative data highlighting societal stigma as a barrier, further illustrating the challenges faced.

The combination of quantitative and qualitative analyses offers a comprehensive view of the multifaceted challenges encountered by women entrepreneurs in developing economies. The quantitative data elucidates stark patterns, while qualitative insights reveal the personal stories and strategies that encapsulate the resilience of these women. The findings underscore a critical need for tailored interventions, including financial support programs, networking initiatives, and policy reforms aimed at promoting a more equitable entrepreneurial ecosystem.

Findings, conclusion and suggestions

The findings of this mixed-methods study reveal a nuanced landscape of challenges that women entrepreneurs face in developing economies, characterized by a combination of socio-cultural, economic, and institutional barriers. Through the quantitative survey, a clear picture emerged regarding the demographics of these women. A significant portion of respondents were young, between the ages of 26 and 35, and held at least an undergraduate degree. This finding suggests that education plays a key role in cultivating entrepreneurial aspirations amongst women. However, despite their educational achievements, a staggering 60% of respondents identified access to finance as a critical barrier to their entrepreneurial success. This is echoed in the qualitative interviews, where many women shared personal experiences of struggling to secure funding, whether for start-up capital or operational expenses. The systemic nature of this

challenge indicates a broader issue within financial institutions in developing economies, where women may be less likely to receive financing due to existing biases or risk assessments that overlook the potential of their business ventures. Moreover, the findings indicate that women entrepreneurs frequently grapple with the challenge of balancing work and family responsibilities—a struggle expressed by nearly half of the survey respondents. This dual burden reflects prevailing gender norms that often assign women the primary role in household duties, thereby complicating their ability to fully engage in their entrepreneurial activities. Additionally, the qualitative data revealed a sense of isolation, as many participants indicated a lack of networking opportunities and support systems. Approximately 40% of respondents cited limited access to professional networks as a significant hindrance, highlighting the need for platforms where women can connect, share experiences, and foster collaboration. Furthermore, the societal stigmas and cultural norms surrounding female entrepreneurship were significant barriers; around 36% of women reported feeling judged or stigmatized for their business pursuits, which can create a psychological barrier to engagement and success in the entrepreneurial realm.

The combined insights from both quantitative and qualitative data underscore the multifaceted nature of the challenges female entrepreneurs face. Women are not only battling financial barriers and societal expectations but are also striving to build their identities within a context that often does not support their aspirations. In conclusion, this study illuminates the intricate dynamics at play in the entrepreneurial journeys of women in developing economies. It emphasizes the urgent need for targeted interventions and supportive measures that recognize and address these challenges at multiple levels.

To address the barriers identified in this study, several suggestions emerge for policymakers, support organizations, and financial institutions. First, there is a pressing need for financial institutions to develop tailored financing products that specifically cater to women entrepreneurs.

This could include microloans, grants, or flexible repayment plans that take into account women's unique situations and business needs. Financial literacy programs could also be created to empower women with the knowledge and skills necessary to navigate the lending landscape effectively. Additionally, emphasizing the importance of gender-sensitive lending practices would ensure that financial decision-makers acknowledge the potential of women-led businesses.

Support organizations must prioritize the establishment of networking platforms that provide opportunities for women entrepreneurs to connect, share experiences, and exchange resources. These platforms could facilitate mentorship programs pairing established entrepreneurs with those early in their journeys, offering insights, advice, and encouragement. Creating community-driven initiatives, such as women's business associations or cooperative business models, can also provide invaluable support, reinforcing a sense of solidarity and collaboration among women entrepreneurs.

Furthermore, awareness campaigns aimed at altering societal perceptions of women entrepreneurs are essential. These campaigns could challenge stereotypes by showcasing successful women entrepreneurs and their contributions to the economy, thereby fostering a culture that values and supports women's entrepreneurship. Educational institutions could also play a vital role by incorporating entrepreneurship training into curricula, particularly for young women. This would not only equip future female business leaders with essential skills but also promote an entrepreneurial mindset from an early age.

Lastly, government policies must encompass gender-responsive frameworks that facilitate an equitable environment for entrepreneurial activities. This could involve implementing laws and regulations that protect women's rights in business, ensuring their access to resources, and offering incentives for businesses that support gender equality. Tax breaks, reduced fees, or grants can encourage private sector involvement in supporting women entrepreneurs, thus fostering a more inclusive and thriving economic landscape.

In conclusion, while women entrepreneurs in developing economies face a multitude of barriers, the insights from this study provide a vital roadmap toward solutions. By understanding the unique challenges faced by women—from financial access and work-life balance to societal norms and networking opportunities—stakeholders can enact targeted measures that empower women in their entrepreneurial pursuits.

The journey toward gender equity in entrepreneurship is complex, but with collective action and commitment from all sectors—government, financial institutions, educational bodies, and support organizations—society can foster a more equitable entrepreneurial ecosystem that recognizes and champions the contributions of women. Ultimately, succeeding in this endeavor will not only benefit women but also catalyze broader economic growth, thereby enhancing the overall development of economies worldwide.

5. FUTURE SCOPE

The future scope of research on women entrepreneurs in developing economies is vast and critical for fostering inclusive economic growth. One key area for future exploration is the impact of technology on female entrepreneurship. As the digital landscape continues to evolve, understanding how access to online platforms, e-commerce, and digital marketing tools can enhance women's business opportunities will be essential. Studies could focus on the effectiveness of digital literacy programs tailored for women and how these skills can facilitate access to global markets.

Another promising avenue is the examination of intersectionality in entrepreneurship. Future research can explore how factors such as age, ethnicity, socio-economic background, and geographic location uniquely affect the entrepreneurial experiences of women. This perspective can inform more nuanced policies and support mechanisms that cater to diverse needs within the female entrepreneurial landscape.

Additionally, longitudinal studies tracking the progress of women entrepreneurs over time can provide insights into the long-term effects of different support systems and interventions. These studies would help identify best practices and successful models that can be replicated in various contexts.

Lastly, the role of male allies in promoting women's entrepreneurship represents an under-researched area. Investigating how men in business, government, and communities can actively support women entrepreneurs can lead to collaborative strategies that foster gender equity in entrepreneurship.

In summary, future research focusing on technology, intersectionality, longitudinal analysis, and male allyship can significantly contribute to understanding and promoting women's entrepreneurship in developing economies.

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