

Research Article

Women Entrepreneurs: Opportunities and Challenges in Karnataka – An Empirical Study

Savitha N

Assistant professor, Department of commerce, SJMVBAJSS Arts and Commerce College for woman, Ranebennur -581115.

Corresponding Author: Savitha N.

Abstract

Entrepreneurship is an important instrument of economic development because it contributes to employment generation, income creation, innovation and the development of local economies. Women's participation in entrepreneurship has an additional social and economic significance because it can increase women's income, economic independence and participation in decision-making. Karnataka is also an important entrepreneurial and technology hub in India. The state's start up ecosystem provides opportunities for innovation, incubation, networking and funding. The Karnataka start up ecosystem has specifically recognised women-led start-ups and has introduced initiatives aimed at supporting women entrepreneurs. Government information indicates that Start-up Karnataka has supported women-led start-ups through specialised incentives and ecosystem initiatives. The present study is important because the availability of entrepreneurial opportunities does not necessarily mean that women entrepreneurs experience equal access to finance, markets, technology, skills and institutional support. Recent empirical research in Karnataka continues to identify financial access, family responsibilities, marketing, gender-related barriers and lack of mentorship and awareness of government schemes as significant issues.

Keywords: Women entrepreneurs, Karnataka, entrepreneurship, MSMEs, Self -help group groups.

Statement of the problem

Women entrepreneurs contribute to employment and income generation, but many women-owned enterprises remain micro or small in scale. The major difficulty is not only entering entrepreneurship but also sustaining and expanding a business. Women may face difficulties in obtaining adequate finance, acquiring managerial skills, accessing markets, adopting technology and balancing household responsibilities with business activities.

Objectives of the Study

- To examine the socio-economic characteristics of women entrepreneurs in Karnataka.
- To identify the major areas of business activity undertaken by women entrepreneurs.
- To examine the major opportunities available to women entrepreneurs.
- To identify the major challenges faced by women entrepreneurs.
- To examine the role of financial institutions and government schemes.
- To analyse the importance of entrepreneurship training and skill development.
- To examine the role of digital technology in expanding women's enterprises.

- To suggest measures for strengthening women's entrepreneurship in Karnataka.

Scope of the Study

The present study, entitled "Women Entrepreneurs: Opportunities and Challenges in Karnataka – An Empirical Study," focuses on the entrepreneurial activities, opportunities, and challenges experienced by women entrepreneurs in Karnataka. The study seeks to understand the factors that encourage women to enter entrepreneurship and the difficulties they encounter while establishing and managing their enterprises.

The geographical scope of the study is limited to the state of Karnataka, covering women entrepreneurs engaged in different types of business activities such as manufacturing, trading, services, retail, food processing, handicrafts, education, technology, and other small and medium-scale enterprises. The study considers women entrepreneurs from both urban and rural areas, wherever feasible, to understand variations in their entrepreneurial experiences.

Significance of the Study

Women entrepreneurship has an important role in promoting employment generation, income creation, economic independence, innovation, and inclusive economic development. The participation of women in entrepreneurial activities can contribute not only to the economic well-being of individual families but also to the broader development of society.

Karnataka has a diverse economic environment comprising agriculture, manufacturing, services, information technology, retail, tourism, handicrafts, food processing, and other sectors. This provides several opportunities for women to establish and expand enterprises. At the same time, women entrepreneurs may face financial, social, family-related, technological, marketing, and institutional constraints.

Review of Literature

Bhat's survey-based study examined 257 women entrepreneurs in Karnataka who had received training through 29 Rural Self-Employment and Entrepreneurship Development Institutes. The study found that government subsidies and satisfaction with entrepreneurship training were associated with business success, while socio-cultural factors continued to influence women's entrepreneurial experiences.

Uma and Ramesh conducted an empirical study on entrepreneurial obstacles faced by women entrepreneurs in Karnataka. The study used interview and questionnaire methods with a sample of 250 women entrepreneurs. It focused on identifying major entrepreneurial obstacles and remedial measures. The study demonstrated that women entrepreneurs encounter several barriers in establishing and operating enterprises and emphasized the importance of appropriate measures to overcome these constraints. This study is particularly relevant because it provides state-level empirical evidence and establishes the importance of examining women's entrepreneurship from the perspective of both obstacles and remedial measures.

Prakash and Raj examined women entrepreneurship, problems and prospects in Karnataka, with particular attention to women entrepreneurs and the MSME sector. Their study emphasised the increasing participation of educated women in entrepreneurship and the potential of entrepreneurship to contribute to women's empowerment and social transformation. The authors observed that women are gradually entering areas that were traditionally dominated by men. This study is significant because it connects women's entrepreneurship with both economic independence and broader social change.

Sources of Data

Primary Data - Primary data should be collected directly from women entrepreneurs using a structured questionnaire.

The questionnaire should contain questions concerning:

- Age
- Education

- Marital status
- Location
- Type of enterprise
- Years in business
- Initial investment
- Sources of finance
- Annual turnover
- Number of employees
- Government-scheme awareness
- Training received
- Digital-business usage
- Family support
- Major challenges
- Future business intentions

Secondary Data - Secondary information can be collected from:

- Government of Karnataka reports, educational and business backgrounds. Ministry of MSME reports
- Karnataka Start-up Cell
- Karnataka State Rural Livelihood Mission
- Academic journals
- Research papers
- Government scheme documents
- Institutional reports

The Karnataka government has specifically identified skill development and micro-enterprise development among women as important areas for livelihood and entrepreneurship development.

Opportunities for Women Entrepreneurs in Karnataka

E-Commerce Opportunities - E-commerce provides women entrepreneurs with access to regional, national and potentially international markets.

Products such as:

- Handicrafts
- Clothing
- Food products
- Jewellery
- Beauty products
- Home décor
- Handmade products

Government Schemes - Government schemes constitute an important opportunity for women entrepreneurs. The Karnataka government operates women-oriented programmes including Udyogini and Stree Shakti, while Startup Karnataka provides an ecosystem involving funding support, mentorship, networking and market access. At the national level, PMEGP supports the creation of new micro enterprises. The scheme is available to individuals above 18 years and provides financial assistance through the implementing institutions and banks.

The Ministry of MSME's 2025–26 annual report indicates substantial participation of women under PMEGP, with 357,658 women-led projects assisted cumulatively up to 31 December 2025.

Entrepreneurship Training - Training provides women with knowledge concerning accounting, marketing, business planning, production and financial management. The Karnataka survey of 257 women entrepreneurs found a positive relationship between satisfaction with training and business success. Therefore, entrepreneurship programmes need to go beyond

general motivational training and provide practical assistance in areas such as bookkeeping, taxation, digital marketing, business registration and accessing credit.

Rural Entrepreneurship

- Dairy and livestock-related businesses
- Food processing
- Handicrafts
- Sericulture
- Agricultural processing
- Local tourism
- Traditional products
- Organic farming
- Village-level services

Such enterprises can create local employment and reduce dependence on migration to urban areas.

Green and Sustainable Entrepreneurship

- Organic products
- Eco-friendly packaging
- Recycling
- Sustainable fashion
- Renewable-energy services
- Natural and handmade products

Women entrepreneurs can develop businesses around local resources while responding to changing consumer preferences.

Digital Entrepreneurship - Digital technology has created new opportunities for women entrepreneurs. Social media, digital payments, e-commerce and online advertising can allow small enterprises to reach customers beyond their immediate locality. Research conducted with women entrepreneurs in Karnataka has specifically identified digital infrastructure as a potential catalyst for business scaling, while also identifying gaps in finance, workplace equality and digital access.

Self-Help Groups - Self-help groups provide women with opportunities for savings, credit, training and collective economic activity. Karnataka has a large network of women's self-help groups. The Karnataka State Rural Livelihoods Mission has identified micro-enterprise development and continuous skill development as important for improving women's livelihood opportunities. Karnataka Rural Livelihoods Mission

Expanding Consumer Markets

- Food and catering
- Organic and agricultural products
- Handicrafts
- Fashion and textiles
- Beauty and wellness
- Education
- Tourism
- Digital services
- Home-based businesses
- Professional services

Digital marketing further allows micro-businesses to reach customers outside their immediate geographical market.

Technology-Based Entrepreneurship - Karnataka's technology ecosystem provides opportunities for women with technical and professional qualifications to establish businesses in:

- Software
- FinTech
- EdTech
- HealthTech
- Digital services
- Artificial intelligence
- E-commerce
- IT-enabled services

Challenges Faced by Women Entrepreneurs

Cash Flow Management: Struggling to pay bills and operational costs while waiting for clients to pay invoices or revenue to stabilize.

Securing Capital and Funding: Finding enough initial money or loans from banks and investors to launch and sustain operations.

Hiring and Retaining Talent: Recruiting skilled employees who fit the company culture and match the compensation packages of larger corporations.

Time Management: Juggling multiple roles at once, which often leads to extreme stress and burnout.

Market Competition: Standing out in crowded industries against established brands with loyal customers and big budgets.

Delegating Tasks: Learning to let go of day-to-day controls and trusting team members or freelancers with core responsibilities.

Effective Marketing Strategy: Figuring out the right channels and messaging to reach a target audience and build a brand presence.

Choosing What to Sell: Validating product-market fit and deciding on the best products or services to offer customers.

Scaling the Business: Growing operations, orders, and team size without losing product quality or breaking internal systems.

Findings

Women entrepreneurs contribute to economic empowerment.

Women's entrepreneurship provides income, financial independence, employment opportunities and greater participation in economic activities. Studies in Karnataka identify entrepreneurship as an important avenue for improving women's economic and social position.

Financial constraints are a major challenge.

Limited access to institutional finance, difficulties in obtaining loans, complicated financial procedures and lack of awareness of financial support schemes continue to restrict women entrepreneurs.

Balancing family and business is a significant problem.

Women entrepreneurs often have a dual responsibility of managing household duties along with their enterprises. Recent Karnataka studies identify this business-family balance as one of the most significant challenges.

Social and gender-related barriers continue to exist.

Gender stereotypes, social expectations and limited recognition of women's leadership can affect entrepreneurial decision-making and business growth. These barriers are particularly relevant even where women have the necessary education and entrepreneurial skills.

Marketing is an important challenge.

Women entrepreneurs face difficulties in finding markets, competing with established businesses, developing networks and promoting their products. A North Karnataka study involving family and geographical factors significantly influence women's marketing performance.

Digital technology provides new opportunities.

Digital marketing, online platforms, digital payments and other digital tools can help women entrepreneurs reach wider markets and improve business sustainability. A qualitative Karnataka study found that digital infrastructure can support business scaling, although digital and technological barriers remain for some entrepreneurs.

Government schemes have potential but awareness is inadequate.

Government financial assistance, training programmes, subsidies and entrepreneurship-development programmes create opportunities, but women entrepreneurs may not be sufficiently aware of or able to access these schemes. Recent studies recommend improving awareness and simplifying access to government support.

Training and skill development are important opportunities.

Entrepreneurial training, managerial skills, digital literacy, financial knowledge and marketing skills can improve women's ability to establish and sustain enterprises. Karnataka studies repeatedly identify skill development and training as important areas for intervention.

Education is associated with entrepreneurial performance.

Empirical evidence from Karnataka indicates that educational qualification can influence business performance, while demographic characteristics such as age, marital status and income can be associated with awareness of government schemes.

Suggestions

Improve Access to Finance

Banks and financial institutions should simplify credit procedures for eligible women entrepreneurs and strengthen awareness of available credit-guarantee and subsidy mechanisms.

Strengthen Entrepreneurship Training

Training programmes should include practical modules on:

- Business planning
- Accounting
- GST/tax compliance
- Digital marketing
- E-commerce
- Pricing
- Customer management
- Financial literacy

Expand Mentorship

Women entrepreneurs should be connected with experienced entrepreneurs, industry associations, incubators and professional networks.

Improve Awareness of Government Schemes

Information should be provided in simple language through banks, SHGs, colleges, local government offices and entrepreneurship centres.

The emphasis should be on **how to apply**, not merely on announcing that a scheme exists.

Strengthen Digital Entrepreneurship

Women should receive practical training in:

- Social-media marketing
- Digital payments
- E-commerce
- Online bookkeeping
- Search and social advertising

Support Work-Life Balance

Accessible childcare, flexible training schedules and supportive local infrastructure can reduce the burden associated with combining household and business responsibilities.

Improve Market Linkages

Government agencies, SHGs and entrepreneurship organisations can help women entrepreneurs participate in:

- Trade fairs
- Exhibitions
- Government procurement
- E-commerce
- Local markets
- Corporate supply chains

The Ministry of MSME's Yashasvini initiative, for example, explicitly focuses on formalisation, capacity building, mentorship, financial access and market access for women entrepreneurs.

Conclusion

Women entrepreneurship in Karnataka represents an important avenue for employment generation, income creation and women's economic empowerment. The state's entrepreneurial ecosystem, government programmes, self-help groups, digital infrastructure, training institutions and expanding markets provide substantial opportunities. However, opportunities alone do not guarantee enterprise growth. Women entrepreneurs continue to face constraints related to finance, family responsibilities, managerial capabilities, market access, mentorship, digital skills and government procedures. Evidence from primary-data studies in Karnataka indicates that government support and entrepreneurship training can be associated with better entrepreneurial outcomes, while socio-cultural and financial barriers continue to influence women's experiences.

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