



Challenges of Women Entrepreneurs in North-Eastern Region, India

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Abstract: The Northeastern region of India presents a unique socio-economic landscape for women entrepreneurs, characterized by a rich cultural heritage and significant challenges. This study examines the literature from 2014 to 2024, focusing on the status and various barriers faced by women entrepreneurs in Assam, Manipur, Nagaland, Mizoram, Tripura, Arunachal, Meghalaya, and Sikkim. With a rich natural and cultural heritage woman in the region continue to face various challenges such as limited access to financial resources, inadequate infrastructure, lack of education and training, cultural and social constraints, and insufficient government support. The study aims to explore the overview of women's entrepreneurship and the challenges face by them. By synthesizing findings from multiple studies, this study provides a comprehensive understanding of the challenges faced by women entrepreneurs in the North-East, while offering recommendations for policy improvements, and increased community support. The insights from this study aim to contribute to the discourse on women's entrepreneurship and inform strategies for fostering an inclusive and supportive ecosystem for women entrepreneurs in the North-Eastern region of India. The study is entirely based on secondary data collected from various studies, particularly those focused on the northeastern region

Keywords: *Women Entrepreneur, Overview, Challenges, North-Eastern Region*

1. Introduction

Government of India – “A woman entrepreneur is defined as an enterprise owned and controlled by a woman having a minimum financial interest of 51 percent of the capital and giving at least 51 percent of the employment generated in the enterprise to women.” The North-Eastern area of India features a distinctive cultural environment and abundant natural resources; as compared to other regions. North-eastern women enjoy much more freedom, for example in Meghalaya state, where women dominate and head the family, likewise the tea tribe in Assam earns more than men and usually the bread winner of the family. Looking in to the educational status, north eastern state is way higher as compared to other regions of the country for e.g. Mizoram state female literacy rate stands at 89.27% and Tripura at 87.22% which is second and fourth ranks according to 2011 census. And in terms of work participation of female, Nagaland and Meghalaya stands at third and fifth ranks with 56.5% and 51.4% respectively (Kumari & Reena, 2018). However, the region remains economically disadvantaged for women unlike the other regions of the country. Women, specifically, encounter considerable obstacles in the region, such as restricted access to education, economic prospects, unawareness of availability resources, entrepreneurial resources and social cultural issues. This literature review examines research from 2014 onwards regarding the status and challenges of women entrepreneurs in the North-Eastern states of India. It seeks to emphasize the suggestions of programs, governmental policies, and community activities that have facilitated entrepreneurial expansion in the region. This paper aims to bring an overview of women entrepreneurship in the north-eastern region.

This research applies the Resource-Based View (RBV) theory (Barney, 1991) to examine the entrepreneurial environment for women in North-East India. The Resource-Based View suggests that an organization's success is depend upon the accessibility and proper utilization of both tangible and intangible resources, encompassing financial capital, human capital, and social networks. This theoretical framework enables an examination of how resource limitations impede women entrepreneurs and how access to these resources affects business growth and sustainability.

According to the *Sixth Economic Census (2013-14)*, *Ministry of Statistics and Programme Implementation*, (Table 1.) shows that government assistants are not available to the women entrepreneurs in the region. It shows that Donations / Transfers from other agencies are higher in number for availing the financial assistance by the women entrepreneurs in the

region. On the other hand, according to the National Statistical Office, 2020, initiatives such as Start-up India and Stand-Up India have supported women entrepreneurs in the North-East. Approximately 35% of loans under the Stand-Up India initiative were allocated to women entrepreneurs in the region. Despite these initiatives, women's participation in the formal workforce in NER remains low, with a labor force participation rate (LFPR) of approximately 23.6%. Apart from Stand-up India and Start-up India, government schemes like Pradhan Mantri Kaushal Vikas Yojana (PMKVY) and Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) could be seeing effectively implementing in the region.

Table 1: *State-wise total number of Establishments under women entrepreneurs by Major Source of Finance*

State	Self-Finance	Financial Assistance from Govt. sources	Borrowing from financial institution	Borrowing from Non-institution/ Money Lenders	Loan from Self-Help Group	Donation/ Transfers from other agencies	Total	% of asst. from govt. sources
Arunachal Pradesh	5229	262	45	28	24	825	6413	4.09%
Assam	139193	3438	1887	1250	1146	7244	154158	2.23%
Manipur	83621	345	802	673	90	2755	88286	0.4%
Meghalaya	27279	661	223	114	47	1206	29530	2.23%
Mizoram	14075	562	132	12	15	1032	15828	3.56%
Nagaland	12837	107	53	65	25	570	13657	0.8%
Tripura	12853	458	226	122	46	801	14506	3.15%
Sikkim	4720	236	123	7	3	215	5304	4.44%

Source-Sixth Economic Census (2013-14), Ministry of Statistics and Programme Implementation

Cultural barriers, inadequate infrastructure, and restricted market access persistently hinder skill development and entrepreneurship among women. NGOs like SeSTA (Seven Sisters Development Assistance and North East Network (NEN) are collaborating with the North East Rural Livelihoods Project (NERLP) and playing a vital role in delivering skill development and entrepreneurial programs to women in rural regions by offering training, microfinance, and market connections. Although these programs have successfully developed skills, enduring success relies on continued access to markets and financial services (Pandey

& Bhattacharya, 2020). NGOs and private organizations have been instrumental in advancing women's skill development. Women in the North-East are progressing in many ways both in terms of employment and starting their business, especially in the urban areas but in rural areas many remain unemployed despite possessing significant entrepreneurial potential, hindered by reasons such as limited prospects, restricted mobility, and inadequate access to employment information, lack of skill and financial unequal distributions from the government as shown in Table 1.1

2. Review of Literature

In this study, the researcher focused on literatures mostly from North-eastern region for better understanding and to provide an overview of the region. The social and economic backgrounds of women entrepreneurs are shaped by multiple aspects, such as ethnicity, education, gender, and familial heritage (Nongthombam & Singh, 2023).

Moutushi et al. (2023), argued that gender equality is a crucial determinant for the sustained growth of an economy. But in traditional societies like north-eastern region, men are favoured and receive more opportunities than women. Women in north-eastern Indian states constitute merely 4% of the total establishments of enterprises in India, while women entrepreneurs from this region account for only 3.76% of the employment generated by women entrepreneurs nationwide. At present, women's entrepreneurial capacities are currently imperative and the advancement of entrepreneurship and income-generating activities constitutes a viable approach for the empowerment of women.

Kumari and Reena, (2018), stated that women in NER is comparatively better than the rest of the country. However, certain unexplained contradictions arise within each state for example, though the literacy rates are greater in Nagaland and Assam but at the same time Gross Enrolment Rate is low, which displays a different picture. The greater rate of female labour involvement in the North East Region is significantly determinant to empower women in the society. The FWPR has boosted some part of NER, but the question is, in what type of employment the women are engaged in, because women are more exposed to the informal sector. Economic prosperity doesn't always ensure gender equality. They suggested that the government in central and in the region should frame a policy suitable for the region.

Reddy (2021) revealed that women from various ethnic backgrounds in Manipur frequently utilize their cultural heritage in entrepreneurial endeavours, whereas Sharma & Das

(2022) highlight the significance of schooling in enabling women to establish their own enterprises. The entrepreneurial landscape is influenced by sociocultural elements like culture, economic conditions, political systems, and social traditions (Basu & Roy, 2023). Like any other place, women in the north-eastern region also face various challenges in their journey of entrepreneurship. Gupta & Sharma (2022) observed that nevertheless conventional limitations, an increasing number of women are transcending these positions to participate in entrepreneurial endeavours.

Thomas (2018), study on “*Challenges Faced by Women Entrepreneurs of Manipur - A Case Study*” found that women entrepreneurs are encountering various challenges including financial difficulties due to insufficient funds, competitive obstacles, insufficient appealing clients, delayed payments, and limitations in travel mobility and facilities. The study also found that women received no advantages from the government. This may be due to their lack of awareness regarding numerous government schemes. The majority of entrepreneurs perceived the loan acquisition process are very slow and procedural delays related to documentation and securities. Women-owned entrepreneurs in Manipur face restricted economic growth due to obstacles including financial limitations, technological impediments, market access issues, inadequate transportation facilities, and insufficient supporting infrastructure in packaging, logistics, and warehousing (Dev, 2023).

Sinha, (2017), studied on trends and challenges of women entrepreneurs in Nagaland, found that poor sales turnover is the most significant problem during the initial start-up phase of a business, followed by insufficient funding. Insufficient experience and minimal visibility are significant problems during the first start-up phase of businesses in Dimapur city, Nagaland.

K and Ao, (2024), highlight in their study that the most formidable hurdles, as reported by several sources including the media are, the illicit and numerous taxes imposed by various Naga insurgent groups, along with the increasing commercial hegemony of entrepreneurs from diverse regions of India, which constrains their economic progress. They also highlight that the absence of governmental backing creates a significant challenge for entrepreneurs in Nagaland.

Sailo and Sangitha, (2019), reported in their study on “*Women Entrepreneurship among Selected Street Vegetables Vendors in Lunglei, Mizoram- Challenges and Problems*” that more than half of respondents encountered infrastructure issues due to elevated transportation costs, while fifty percent of female street vendors have challenges in marketing due to unfavorable

payment terms with suppliers. Studies also found that financial difficulties due to insufficient fixed capital for their business, personal issues due to their engagement in dual responsibilities, and casual perspective of customers (Lalrampuii, 2020), are some common challenges faced by women entrepreneurs in Mizoram.

Bhatta (2023), in her study on women entrepreneurs in Assam found out that factors like Insufficient Financial Resources, Scarcity of skilled labour, and Work-life balance were the main challenges in the study area. The study suggested that women should be given continuous support and encouragement, providing proper facilities and infrastructures, and also encourage to avail financial from the government institutes. Mahanta, (2016), also highlighted in her study that women entrepreneurs in Assam face challenges like Infrastructural problems, financial issues, non-availability of skill laborers, and lack of support from husbands and families.

Debbarma and Geetha, (2017), highlight some of the problems of women entrepreneurs, particularly in handloom enterprises in Tripura includes, financial constraints, health issues, and balancing professional and familial obligations. The study titled "*Subsistence Women Entrepreneurship in Tripura: A Study of Jamatia Tribe*" was also conducted by Jamatia, (2018), identifies numerous problems encountered by women entrepreneurs including low income, household responsibilities, inadequate government and financial assistance and lack of social support system

According to Koka, (2023), Women entrepreneurs in Arunachal Pradesh initiate their firms due to factors like ambition for great accomplishment, familial support, sufficient financial resources, and a need for independence. However, women in the area encountered various barriers including; insufficient training, financial difficulties, unawareness of government schemes, lack of confidence, and familial obligations. The study suggests on, introduction of additional training courses, and women aspiring to initiate a business should be encouraged to engage in business training programs. A similar study was carried out by Noshi, (2023), who stated that women entrepreneurs have numerous challenges across diverse domains, including finance, marketing, health, family, Socio-cultural barriers, and Technology problems. The study revealed that though the Post-independence, legislation ensured equal rights and equality, in education and other opportunities, the government-funded development activities have exclusively benefited a limited segment of women which is the urban middle class in Arunachal Pradesh.

Gurung and Sharma, (2023), in their study, indicate that Women Entrepreneurs in Sikkim encounter multifaceted challenges, including difficult documentation processes for securing financing, insufficient training in skills such as communication, male dominance, conservative societal attitudes, political obstacles, familial obligations, inadequate marketing, and seasonal fluctuations in business as significant hurdles. The principal findings indicated that, despite the obstacles, women entrepreneurs are determined and are making every effort to achieve their objectives in Sikkim. Kumar & Subedi, (2023), study on the microfinance scheme for women entrepreneurs in Sikkim, indicated substantial gender disparity in the execution of programs, necessitating intervention through grassroots awareness and networking. They suggest that the increased integration of financial systems will lead to a greater number of entrepreneurial companies operated and managed by women.

Dutta, (2023), mentioned in his study that the primary barrier for women entrepreneurs was the limited time available for trading activities, followed by a deficiency of personal resources to satisfy investment demands. The study also shows that problems like communication issues and escalating transportation costs, the significance of weekly markets for local residents, the difficulty in acquiring trading licenses, and product obsolescence ranked subsequently in Meghalaya.

Besides social hurdles, Das (2017), emphasized financial constraints as a significant impediment for women entrepreneurs in the North-East. He contended that although government initiatives like "Stand-Up India" and "Start-Up India" seek to offer financial support to women entrepreneurs, numerous rural women remain oblivious to these programs or lack the requisite collateral to obtain loans. Furthermore, financial institutions frequently exhibit hesitance in extending credit to women, claiming elevated risks linked to women-led enterprises in rural and semi-urban regions.

3. Methodology

The present study is analytical in nature and is based on secondary data. Secondary data were collected from national and international journals, reports of MSSED, census surveys, Ministry of Statistics and Programme Implementation and books on various aspects of women entrepreneurship. The study area is North Eastern region, from each state studies are reviewed for better understanding.

3.1 Research Objectives

- a) To overview the socio-economic status of women in North-East region.
- b) To identify challenges faced by women entrepreneurs in the North-East region.
- c) To suggest actionable recommendations for the region base on review.

4. Discussion

From the study, it shows that north east region is abundant in natural resources and women have more freedom as compare to other parts of the country. In terms of attaining education by women in north east region are higher while participation in work-forces greater in some part of regions a seen in 2011 census by the government of India, yet women in the region continues to face various challenges for pursuing entrepreneurship (Kumari & Reena, 2018).

Following are some of the Challenges of Women Entrepreneurs in North-East region based on the secondary sources:

Socio-cultural and familial obstacles: Socio-cultural and familial obstacles significantly hinder women's entrepreneurial success, as research indicates that conservative gender roles impose an extra burden on women, necessitating the management of household duties alongside their business endeavours (Sailo & Sangitha, 2019; Debbarma & Geetha, 2017). Gurung & Sharma, (2023) assert that male domination and restrictive cultural attitudes hamper women's entrepreneurial development. It is also found that entrepreneurship opportunities favours to male as compared to female (Moutushi, et al. (2023). As emphasized by RBV, strong social networks, are crucial for market extension and resource acquisition.

Financial Constraints: The research underscores that financial limitations persist as a substantial obstacle, as demonstrated by other studies (Sinha, 2017; Thomas, 2018; Sailo & Sangitha, 2019; Dutta, 2023). Women entrepreneurs in the region face challenges in obtaining loans due to insufficient financial literacy, collateral prerequisites, and bureaucratic obstacles in accessing government programs (Koka, 2013; Das, 2017). The financial difficulty is intensified by data from the Sixth Economic Census (2013-14), indicating that a minimal percentage of women entrepreneurs obtain financial support from official sources, but a greater number depend on self-financing and contributions from agencies. The Resource-Based View (RBV) paradigm emphasize that enterprises lacking of financial resources cannot utilize their current capabilities for expansion (Barney, 1991).

Infrastructural inadequacies and limited market access: These are some of the significant obstacles, especially in rural regions, where inadequate transportation and high logistics expenses hinder women's business expansion (Sinha, 2017; Sailo & Sangitha, 2019; Dutta, 2023). Marketing limitations, seasonal variations, and the lack of adequate business assistance further restrict profitability and operational continuity Gurung & Sharma, 2023). Despite government programs such as Stand-Up India and PMKVY offering help, its effectiveness is constrained by insufficient awareness and accessibility challenges. Pandey & Bhattacharya (2020) observe that while skill development initiatives launched by NGOs like SeSTA and North East Network (NEN) have enhanced women's entrepreneurial skills, the absence of consistent market access and financial autonomy persists as a barrier to enduring success. The RBV framework emphasizes that enterprises with robust social capital can utilize networks to enhance finance and market access, hence mitigating operational risks and promoting sustainability (Putnam, 1995). Skill development also another important resource in RBV terms, a lack of human capital resources like skill restricts innovation and adaptability, limiting business expansion.

5. Recommendations

Address Socio-cultural Barriers: Promote family and community support, and involving men in entrepreneurship development programs through community programs about the positive impact of women's entrepreneurship on household incomes and local economies.

Improve Access to Finance: Enhance knowledge of governmental initiatives and Improve loan procedures also enhancing the accessibility of microfinance institutions will encourage women to involve in entrepreneurship.

Enhance Skill Development Programs: Ongoing training and mentorship for women may help them overcome the challenges related management of business.

Strengthen Market Access: Infrastructure development like better transportation facilities, reliable communication networks, special market spaces, and affordable logistics to reduce costs and improve market accessibility, and support e-commerce adoption, particularly for women in rural areas should be arrange.

Increase Government and NGO Support: Government-backed support systems and Collaborate with NGOs can help bridge the gap between government programs and the women who need them by acting as intermediaries and introducing schemes specifically targeting rural

women that are applicable to the region and making sure that they offer not just financial support but also access to a range of resources like mentorship, legal advice, and business services.

6. Conclusion

The North-Eastern region of India offers a distinctive cultural and resource-abundant landscape that possesses significant potential for women entrepreneurs. However, substantial obstacles, such as financial limitations, socio-cultural issues, insufficient infrastructure, and restricted market access, persist in hindering their advancement. Notwithstanding numerous government programs, including Stand-Up India and PMKVY, along with the assistance of NGOs like NERLP, women entrepreneurs, particularly in rural regions, continue to encounter challenges in obtaining capital, training, and market access. The continuation of conventional societal standards and little awareness of governmental programs further intensifies these issues.

To promote sustained entrepreneurial success, coordinated initiatives are required to improve financial accessibility, augment skill development programs, and enable market access. Moreover, tackling socio-cultural obstacles via community engagement and enhancing government-NGO partnerships is crucial for establishing a conducive environment for women entrepreneurs. The women of the region exhibit resilience and tenacity; nonetheless, sustained success necessitates ongoing investment in infrastructure, training, and financial services, alongside the promotion of inclusive, community-driven initiatives.

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