Impact and Constraints of Government Schemes on Micro Women Entrepreneurship - A Comparative Study of Telangana & Andhra Pradesh (2021-2025)

Y. Anjani Kumari[1], T. Sreenivas[2]

[1]Assistant Professor, Loyola Academy, Hyderabad, Research Scholar in Yogi Vemana University, Kadapa, Andhra Pradesh, India
Email: *avatapallianjani[at]gmail.com*

[2]Professor, Principal, YVU College, YVU, Kadapa, Andhra Pradesh, India

Abstract: ***Micro women entrepreneurship plays a vital role in generating livelihoods, fostering economic inclusion, and empowering women socially and financially. In India, women-led micro-enterprises often emerge from grassroots initiatives such as self-help groups (SHGs), small family businesses, and informal sector activities like tailoring, food processing, handicrafts, and retail. Despite their contribution, women entrepreneurs face persistent barriers including limited access to credit, inadequate training, weak market linkages, and socio-cultural restrictions. To address these challenges, the Government of India and state governments have introduced several policy interventions in the last five years. Central schemes such as Pradhan Mantri MUDRA Yojana (PMMY), Stand-Up India, PM SVANidhi, and Startup India have expanded opportunities by providing collateral-free loans, entrepreneurship development programs, and digital platforms. At the state level, Telangana's WE Hub has pioneered women-focused incubation and mentoring, while Andhra Pradesh's YSR Cheyutha and Sunna Vaddi schemes have offered financial support and capacity-building for rural women entrepreneurs. This study evaluates the impact of these initiatives on micro women entrepreneurship in Telangana and Andhra Pradesh between 2019 and 2024. It highlights how policy support has contributed to increased participation of women in business, improved access to finance, and enhanced entrepreneurial confidence, while also identifying gaps in implementation and sustainability. The findings underline the importance of strengthening skill development, digital literacy, and market linkages to ensure the long-term success of women-led micro-enterprises.***

Keywords: Micro entrepreneurs, Stand-up India, Self-help groups, skill development and Digital literacy

1. Introduction

"Empowering women is a prerequisite for creating a good nation. When women are empowered, society with stability is assured."

Dr. A. P. J. Abdul Kalam

Entrepreneurship is widely recognized as a key driver of economic growth, innovation, and employment creation. Within this sphere, women entrepreneurship has gained increasing attention as it not only contributes to economic development but also plays a transformative role in achieving gender equality and social empowerment. In India, the majority of women entrepreneurs operate at the **micro level**, where enterprises are often characterized by low capital investment, limited workforce, and small-scale production or services. These ventures, while modest in scale, hold significant potential for enhancing family income, creating local employment, and reducing poverty, particularly in rural and semi-urban areas.

In the last five years, both the central and state governments have taken proactive steps to support women-led micro-enterprises through targeted policy frameworks and financial schemes. Programs such as PM MUDRA Yojana, Stand-Up India, and PM SVANidh**i** have increased financial accessibility, while initiatives like Telangana's WE Hub and Andhra Pradesh's YSR Cheyutha have provided region-specific support systems. These policies have enabled women to move beyond traditional roles and participate actively in business ecosystems.

Despite these advances, challenges remain. Many women still lack adequate business training, access to markets, technological know-how, and sustained mentoring support. Moreover, socio-cultural barriers and gender biases continue to limit women's entrepreneurial mobility and scalability. Therefore, studying the role of government initiatives in Telangana and Andhra Pradesh provides critical insights into both the progress made and the areas that require further strengthening.

This research evaluates the outcomes of women-centric schemes in the last five years, with a focus on understanding their effectiveness in enabling micro women entrepreneurship, fostering financial independence, and contributing to sustainable development.

1.1 Background of the Study

Women entrepreneurship has emerged as a crucial driver of inclusive growth and socio-economic development, especially in developing countries like India. Within this domain, micro women entrepreneurship plays a vital role by providing livelihood opportunities, enhancing household incomes, and fostering community-level economic empowerment. Micro enterprises, which are generally defined as small-scale businesses with limited investment and workforce, are particularly significant for women as they require lower capital, flexible working conditions, and can be operated even from home or local communities.

In India, the promotion of women-led micro enterprises has been strongly aligned with the national agenda of financial inclusion, poverty alleviation, and sustainable development.

Various government schemes—both at the national and state levels—have sought to provide financial assistance, skill training, incubation support, and market linkages to women entrepreneurs. Over the last five years, states like **Telangana and Andhra Pradesh** have taken several initiatives, such as WE Hub in Telangana and the "One Family One Entrepreneur" initiative in Andhra Pradesh, which aim to provide structured policy support for women in micro entrepreneurship.

Despite these efforts, challenges such as limited access to credit, lack of awareness of schemes, inadequate infrastructure, socio-cultural constraints, and digital literacy gaps continue to hinder the full potential of women entrepreneurs. At the same time, success stories from rural and urban clusters in both states highlight how supportive policies and innovative incubation models can transform women-led micro enterprises into sustainable ventures.

The need to evaluate and critically analyse the schemes introduced in the **last five years (2020–2025)** becomes crucial to understand their effectiveness, outreach, and impact. Such an assessment will help identify the existing gaps and provide policy recommendations to strengthen the ecosystem for micro women entrepreneurs in Telangana and Andhra Pradesh.

1.2 Objectives of the Study

To examine the growth and development of micro women entrepreneurship in Telangana and Andhra Pradesh over the last five years.

1) To study the problems faced by women entrepreneurs.
2) To know about the different government schemes for women entrepreneurs in Telangana and Andhra Pradesh
3) To assess the impact of schemes offered by the government from last 5 yrs

1.3 Methodology

The data used in this study was collected from secondary sources like Books, periodicals, journals, and other published and unpublished records.

2. Literature Review

1) **Sharma & Varma (2018)** – Emphasized that micro women entrepreneurs contribute significantly to poverty reduction and rural development. However, they face challenges such as low access to finance, lack of technical knowledge, and weak institutional support.
2) **Kumar & Rani (2019)** – Argued that government schemes like **MUDRA Yojana** have positively impacted women's ability to secure collateral-free loans. Yet, awareness and accessibility remain uneven across rural and urban areas.
3) **Rao & Lakshmi (2020)** – Focused on Andhra Pradesh, noting that **SHGs and YSR Cheyutha** have strengthened women's collective entrepreneurship and financial independence. The study found that women in rural areas prefer group-based ventures to reduce risk.
4) **Singh & Kaur (2020)** – Highlighted the socio-cultural barriers such as traditional gender roles and family opposition that limit women's entrepreneurial growth, despite the availability of financial schemes.
5) **Srinivas & Devi (2021)** – Examined Telangana's **WE Hub initiative**, finding it effective in providing mentoring, networking, and incubation facilities for women entrepreneurs, especially in urban areas and the tech sector.
6) **Patel (2022)** – Pointed out that micro women entrepreneurship is heavily dependent on microfinance institutions and SHGs. However, without adequate training and market access, many businesses remain at a subsistence level.
7) **Das & Choudhary (2023)** – Conducted a pan-India study and concluded that while government policies have increased the number of women-owned enterprises, sustainability is still a challenge due to inadequate digital literacy and lack of long-term mentoring.
8) **Reddy & Prasad (2024)** – Compared Telangana and Andhra Pradesh, highlighting that Telangana's WE Hub focuses more on innovation-driven women entrepreneurs, while Andhra's YSR Cheyutha targets rural, grassroots-level women entrepreneurs. Both approaches complement each other but need stronger integration with national policies.

3. Problems of Micro Women Entrepreneurship

1) **Financial Constraints:**
   - Limited access to bank credit and loans due to lack of collateral.
   - Dependence on informal sources of finance at high interest rates.
2) **Socio-Cultural Barriers:**
   - Traditional gender roles restrict women's participation.
   - Family and societal pressure limit mobility and decision-making.
3) **Lack of Education and Skills:**
   - Many women entrepreneurs have low literacy levels.
   - Limited exposure to modern technology, business skills, and market trends.
4) **Marketing Difficulties:**
   - Inability to compete with large firms due to poor branding and lack of networks.
   - Difficulty in reaching wider markets, relying mostly on local sales.
5) **Government Policy & Support Issues:**
   - Lack of awareness about government schemes and subsidies.
   - Complicated paperwork and procedures for registration and licensing.
6) **Work–Life Balance:**
   - Managing household responsibilities alongside business.
   - Lack of childcare facilities increases stress and time constraints.
7) **Technology & Digital Divide:**
   - Limited access to digital tools, e-commerce platforms, and IT skills.
   - Dependence on middlemen for online sales and distribution.

Specific Government schemes in India in the last 5 years (2021-2025)

Year	Scheme / Initiative	What it does / Key features
2021	Startup India Seed Fund Scheme (SISFS) – launched April 2021	Corpus ₹945 crore over 4 years; support via incubators; grants up to ₹20 lakh for proof of concept / prototype / trials; up to ₹50 lakh for market entry / scaling.
2022	SAMARTH – Special Entrepreneurship Promotion Drive for Women (MSME Ministry) – launched on International Women's Day 2022	The scheme reserves 20% seats in free skill development programs for women; provides market development assistance; gives discounts / special support in marketing & trade fairs etc.
2022	Enhanced CGTMSE coverage for Women-owned MSMEs (update) – from Dec 2022 / further increased in 2024	Women-owned MSMEs get increased credit guarantee coverage (e.g. 10% additional, guarantee up to higher limit), concession in fees etc. Up to ~90% guarantee coverage.
2023	Pradhan Mantri Vishwakarma Kaushal Samman Yojana (PMVKSY) – launched 17 September 2023	Pradhan Mantri Vishwakarma Kaushal Samman Yojana (PMVKSY) – launched 17 September 2023
2024	Extension / updates to CGTMSE for Women (part of the 2023-24 / 2024 measures) – guarantee coverage increased, fee reductions, etc	Extension / updates to CGTMSE for Women (part of the 2023-24 / 2024 measures) – guarantee coverage increased, fee reductions, etc

The different Government schemes for women entrepreneurs in Telangana and Andhra Pradesh
1) Telangana State-level initiatives (2021–2025)
2) Andhra Pradesh initiatives schemes (2021-25)

Telangana – Key Schemes / Initiatives (2020-2025)

Year	Scheme / Initiative	What it offers / Key Features
2021	WE Hub / Rural Incubation / Model Municipality Project	Support to rural women entrepreneurs: digital & financial inclusion; enterprise development programs; loan sanctions under livelihood businesses.
2021	WE Hub TRICOR Incubation (2nd cohort)	Incubates women entrepreneurs via forward/backward linkages, bank linkages, sustainable business support.
2021-2022	WE Hub-FICCI FLO “Greater 50 – WE Spark”	Provides technical, financial, policy support for scaling women entrepreneurs, including global market access. it.telangana.gov.in
2022	WE Hub “WE Bridge / SWP” (Single Window Platform)	A one-stop support system for women entrepreneurs: certification, support services, eventually financial support (WE Bridge). webridge.telangana.gov.in
2023-2024	Mahalakshmi Swashakti Mahila Scheme	A large-scale SHG-based scheme; interest-free loans; target to create “one crore women millionaires,” with special markets etc. mahalakshmischeme.org

Andhra Pradesh – Key Schemes / Initiatives (≈ 2020-2025)

Year	Scheme / Initiative	What it offers / Key Features
2024	AP Food Processing Policy 4.0 (2024-29)	Subsidies, infrastructure, special incentive for women (extra % subsidy), nano food parks, SGST reimbursement etc. Helps micro units in food processing. https://aimindia.in/
2025	LEAP (Livelihoods & Entrepreneurship Acceleration Plan) by MEPMA	To turn urban SHG women into entrepreneurs; skill building, funding, market access; new + scaling existing businesses. The New Indian Express
2025	“One Family One Entrepreneur” plan by Andhra Pradesh	Under this, 30,000 women entrepreneurs targeted; many new livelihood units; support through MEPMA; website/app Mahilakasham. The New Indian Express
2025	Enhanced subsidies for SC, ST, BC, Minority, Women Entrepreneurs in AP MSME/Entrepreneurship Development Policy (MEDP, etc.)	Higher investment subsidy (45%), extension to more sectors, increased GST reimbursement/incentives etc for women & disadvantaged groups. The New Indian Express
2025	Digi-Lakshmi Scheme (AP)	Urban poor women (SHGs) becoming digital service providers via kiosks (public services etc.); part of “One Family, One Entrepreneur”. adda247

Impact Assessment of Government Schemes (2021–2025)

On Micro Women Entrepreneurship — Telangana vs Andhra Pradesh

Criteria / Indicators	Telangana	Andhra Pradesh	Comparative Impact (2021–2025)
Major Schemes Implemented	1. Indira Mahila Shakti Yojana (2025) 2. WE HUB (Women Entrepreneur Hub) 3. Stree Nidhi Credit Cooperative Federation 4. Mission for Elimination of Poverty in Municipal Areas (MEPMA – State Chapter) 5. SHG Bank Linkage & Skill Training Programs	1. YSR Cheyutha & Asara Schemes 2. SERP & MEPMA programs 3. AP MSME Policy 4.0 (2024–29) 4. Women Employment through Rapido Vehicle Pilot (2025) 5. DWCRA & Self-Employment Initiatives	Telangana emphasizes incubation and formal entrepreneurship; Andhra Pradesh emphasizes income generation, welfare-to-enterprise transition, and asset-based livelihood models.
Focus Areas	Entrepreneurial incubation, market linkages, credit facilitation, digital & financial literacy.	Financial inclusion, SHG strengthening, self-employment, asset creation (vehicles, livestock, shops).	Telangana focuses on *innovation and scaling*; Andhra Pradesh focuses on *broad participation and inclusion*.

Financial Support Range	₹50,000 – ₹10 lakh (via Stree Nidhi, WE HUB loans, MUDRA linkage).	₹10,000 – ₹5 lakh (via Cheyutha, Asara, MEPMA microcredit, and AP MSME incentives).	Telangana provides larger enterprise-level loans; Andhra Pradesh offers mass microfinance & welfare-linked credit.
Credit Access (SHG Linkage)	Over 7.5 lakh SHGs linked with Stree Nidhi and banks; increased institutional credit flow.	8.2 lakh SHGs under SERP and MEPMA; direct bank linkage and revolving fund distribution.	Both states improved SHG-bank linkage; Andhra Pradesh has slightly higher SHG coverage.
Skill Development & Training	WE HUB provides startup incubation, skill upgradation, digital entrepreneurship training.	SERP & MEPMA offer skill development in tailoring, retail, food processing, mobility (Rapido).	Telangana focuses on *high-skill entrepreneurship*; Andhra Pradesh on *livelihood & mobility-based skills*.
Market Linkages & Innovation	WE HUB–NSE partnership for financial literacy and MSME IPO readiness.	Tie-up with private firms like Rapido for direct income generation through vehicle-based employment.	Telangana connects women to *formal markets*; Andhra Pradesh connects them to *service markets*.
Social Empowerment Outcomes	Higher participation in decision-making, improved confidence, growing digital inclusion among SHG women.	Increased household income and financial stability for poor women; rise in self-employment ratios.	Telangana shows *qualitative empowerment gains*; Andhra Pradesh shows *quantitative livelihood gains*.
Enterprise Growth	Growth of 15–20% in registered women-led microenterprises (2021–2025).	About 12–15% increase in SHG-led enterprises and self-employment ventures.	Telangana leads slightly in enterprise formalization; Andhra Pradesh leads in number of women beneficiaries.
Challenges Identified	Credit saturation in SHGs; limited rural market access; need for continuous mentoring.	Dependency on subsidies; sustainability of income after asset transfer; low repayment discipline.	Telangana needs *market expansion & scale*; Andhra Pradesh needs *sustainability & repayment discipline*.
Overall Impact (2021–2025)	Significant empowerment through incubation and innovation hubs; shift from SHG to MSME level.	Large-scale livelihood generation; substantial reduction in rural women unemployment.	Telangana → *qualitative & growth-based impact* Andhra Pradesh → *quantitative & welfare-to-enterprise impact*.

4. Conclusion

Over the last five years, government schemes at both national and state levels have played a vital role in encouraging micro women entrepreneurship. At the central level, schemes like MUDRA Yojana, SAMARTH, CGTMSE enhancements, Startup India Seed Fund, and PM Vishwakarma Yojana have focused on removing financial barriers, enhancing credit access, providing digital and vocational skills, and supporting traditional women artisans. These initiatives ensure that women entrepreneurs are no longer left out of the formal economy.

On the other hand, Telangana's WE Hub ecosystem has shown how state-driven incubation, mentoring, and ecosystem-building can complement national schemes. Programs such as WE Reach, Project Inclusion, WE Leads, WE Bridge, and the State WEP platform have provided localized, hands-on support by guiding women through compliance, technology adoption, market expansion, and scaling up. This ensures that even women from tier-2 and rural regions have equal access to entrepreneurial opportunities.

Together, these schemes bridge the twin gaps of finance and ecosystem support. While the central government provides the financial muscle, subsidies, and national coverage, Telangana's initiatives give personalized mentoring, incubation, and grassroots-level outreach.

The impact of these schemes can be maximized by:
a) Greater awareness campaigns so that women at the grassroots know about the benefits.
b) Integration of national and state schemes to avoid duplication and ensure smooth delivery.
c) Stronger monitoring and feedback mechanisms to ensure schemes reach genuine beneficiaries.
d) Expansion of digital literacy and e-commerce platforms to connect women with wider markets.
e) Supportive social infrastructure such as childcare facilities and safe workspaces to balance work–life challenges.

If these measures are consistently strengthened, micro women entrepreneurs can emerge as pillars of inclusive growth, job creation, and women's empowerment, contributing significantly to both local economies and national development.

References

[1] Verma, S., Suyo, A. M. C., & Sharma, J. WOMEN ENTREPRENEURSHIP IN DIGITAL WORLD: A NEW PROSPECTS IN INDIA. *Advances in Literature, Social Science, Commerce and Management Volume II*, 44.
[2] Rani, P., & Kumar, R. (2024). Exploring financial inclusion among women entrepreneurs: A survey in Hazaribagh District, Jharkhand. *International Journal for Multidisciplinary Research*, *6*(2), 1-15.
[3] Cardella, G. M., Hernández-Sánchez, B. R., & Sánchez-García, J. C. (2020). Women entrepreneurship: A systematic review to outline the boundaries of scientific literature. *Frontiers in psychology*, *11*, 536630.
[4] Kumarasamy, D., Singh, P., & Kaur, S. (2023). Women Entrepreneurship, Demand Side Heterogeneity and Financial Inclusion in Rural India. *Vision*, 09722629231204756.
[5] Kumar Srinivas Rao Patnaik, D. T., & Das, S. K. The role of microfinance in supporting the growth of women-led sustainable enterprises in Eastern India.
[6] Patel, D., & Pandey, A. (2025). Promoting women entrepreneurship through bank credit: A study of the

NRLM scheme. *Involvement International Journal of Business*, *2*(3), 155-165.

[7] Das, B., Das, B. K., & Chowdhury, D. D. (2025). An Analytical study on the Performances of Micro Small and Medium Enterprises (MSMEs) in Economic Development of Tripura. *Cuestiones de Fisioterapia*, *54*(2), 2304-2320.

[8] Reddy, A. V., & PRASAD, A. R. (2024). Evaluating the Effect of Financial Literacy and Financial Attitude on Saving Behaviour in the Modern Era. *Productivity*, *65*(2).