

## Research Article

# Problems faced by the Women Entrepreneurs in Andhra Pradesh

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### Abstract

The paper attempts to analyze the problems faced by the women entrepreneurs in Andhra Pradesh. Entrepreneurship plays a key role in the economic development of a country. Women entrepreneurs are also crucial in this process. But during this process, they face many hardships. In spite of this, women education and awareness helped them to overcome the difficulties.

**Keywords:** Enterprise, Market Creation, Financial Literacy, Employment, Market Access, Women Entrepreneurs.

### Introduction

“An enterprise owned and controlled by a woman and 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” is the definition of a woman entrepreneur. Entrepreneurs are essential to the development of the economy. They have been referred to as the human agents required to raise finance for exploration, resource discovery, market creation and commerce.

The paper discusses the problems faced by women entrepreneurs in general, with particular focus on those in Andhra Pradesh. It examines the social, financial, and institutional challenges that hinder their growth and success. The study also highlights possible measures to support and empower women entrepreneurs in the region.

### Statement of the Problem

Women Entrepreneurs play a significant role in micro enterprises in the state of Andhra Pradesh. The increased span of educational process and the increased levels of awareness among women towards economic activities made them entrepreneurs on par with men. Even as entrepreneurs, women are still facing many problems regarding their business. The present study focuses on the issues faced by them.

### Review of Literature

Charumati(1997) concentrated on SWOT analysis on female business owners using a sample of 50 female business owners in Tamil Nadu. The research concentrated on the main advantages, dangers, and weaknesses of these women. According to the study's findings, there is evidence that women entrepreneurs are confident in their ability to take advantage of their significant advantages and overcome their modest limitations and risks.

Nalinee(1998) tried to bring out the socio- cultural barriers confronting women entrepreneurs. The author identified a number of obstacles, including probable pressure from the spouse to play the conventional role and his refusal to accept her as an equal partner, the family structure, time constraints, the author's own fear, diffidence, and guilt, as well as societal influences. The author believes that early socialization beginning in infancy has a role in helping to produce a woman entrepreneur who does not suffer role conflict. She claims that her development as an entrepreneur is influenced by her family's responsibilities, involvement in decision-making, and exposure to books that instilled entrepreneurial traits.

Punitha et.al(1999) investigated the issues and limitations that women business owners in the Pondicherry area confront. During the months of June and July 1999, personal interviews were conducted with a sample of 120 female businesses, 42 of which were located in rural and 78 in metropolitan locations. Competition from items of higher quality and marketing issues are the two main issues encountered by rural women business owners. In addition to facing competition from goods of higher quality, urban businesses often have challenges in obtaining financing. The least problematic issues for female entrepreneurs, whether in rural and urban areas, include ignorance of agencies and institutions as well as distance from the market and of plans.

### **Challenges faced by the Women Entrepreneurs**

The study emphasizes on the challenges encountered by the women entrepreneurs at multiple levels such as economic, social, structural and market related factors.

#### **Limited Access to Formal Finance**

Restricted access to institutional finance remains a major barrier for women entrepreneurs in Andhra Pradesh. Data from the 73rd Round of the National Sample Survey indicate that many women-owned enterprises operate as own-account units with minimal capital investment. Banking statistics from the Reserve Bank of India further show that although women hold a growing share of MSME loan accounts, the average loan amount sanctioned to women-led enterprises is lower than that of male-led enterprises. Collateral requirements, procedural complexities, and limited financial awareness continue to restrict their effective access to formal banking channels, despite the availability of schemes such as MUDRA and Stand-Up India.

#### **Inadequate SHG and Microfinance Loan Size**

The SHG-Bank Linkage Programme has significantly expanded financial inclusion in Andhra Pradesh; however, official reports suggest that most SHG-linked enterprises remain micro-scale in nature. The loan amounts provided are generally adequate for subsistence or small working capital requirements but insufficient for capital-intensive expansion, technological upgradation, or scaling of operations. Consequently, many women-owned enterprises continue to be confined to low-investment, low-return activities.

#### **Limited Educational Attainment and Managerial Skills**

NSS enterprise data indicate that a substantial proportion of women entrepreneurs have education levels below secondary schooling, which adversely affects their financial management capability, regulatory compliance, digital adoption, and strategic business planning. MSME reports further emphasize the need for structured entrepreneurship development and skill-building programmes specifically tailored to support women-led enterprises.

#### **Financial Literacy Gaps**

Despite increased bank penetration, financial literacy among women entrepreneurs remains uneven. National financial inclusion reviews indicate that many small women borrowers lack clarity regarding interest rate structures, repayment schedules, credit ratings, and formal banking procedures. This limited financial awareness increases their dependence on intermediaries and weakens their bargaining power in credit markets.

#### **Socio-Cultural Constraints**

Gender norms continue to influence entrepreneurial participation. Studies and policy reviews by NITI Aayog indicate that women entrepreneurs often face limited decision-making autonomy in financial matters, restricted mobility for market engagement, and lower access to business networks. Additionally, the disproportionate burden of unpaid household work further reduces the time and flexibility available for enterprise expansion.

#### **Raw Materials and Input Constraints**

NSS enterprise data shows that most women-owned enterprises operate in trade, small manufacturing, or service activities that are sensitive to input price fluctuations. In rural and semi-urban regions, infrastructure gaps such as inadequate storage facilities, irregular supply chains, and transportation constraints affect cost efficiency and profitability.

#### **Limited Market Access**

A majority of women-owned enterprises operate within localized markets. NSS data indicates limited participation in larger supply chains or formal export networks. Lack of branding, digital presence, and institutional market linkages restrict revenue growth and scalability.

#### **Weak Enterprise Support Ecosystem**

Official MSME reports highlight that micro enterprises often lack access to business incubation services, common facility centres, structured marketing platforms, and technology support systems. In the absence of such ecosystem-level support, women-led enterprises tend to remain informal and confined to small-scale operations.

#### **Labour and Human Resource Constraints**

NSS data shows that most women-owned enterprises function as own-account enterprises with no hired workers. Limited capital base restricts the ability to employ skilled labour, which affects productivity and growth potential.

#### **Policy Awareness and Utilization Gaps**

Although multiple schemes exist to promote women entrepreneurship, their utilization remains uneven. MSME and financial inclusion reports indicate that awareness of eligibility criteria is limited, documentation requirements are often complex, and procedural delays discourage participation. Consequently, the effective uptake of these schemes remains significantly lower than their potential outreach.

#### **Dual Burden of Household and Enterprise Responsibilities**

Gender assessments consistently highlight the “dual burden” faced by women entrepreneurs. Balancing domestic responsibilities with enterprise management reduces time for networking, skill enhancement, and long-term strategic planning. This structural constraint significantly influences enterprise sustainability and scale.

#### **Conclusion**

Women entrepreneurs in Andhra Pradesh continue to face financial, social, and operational constraints despite the presence of supportive government schemes. Most women-led enterprises remain small in scale and resource-constrained. Although financial inclusion initiatives have improved access to credit, challenges such as limited capital, low skill levels, socio-cultural barriers, and weak market linkages continue to restrict business growth and long-term sustainability.

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