
PROBLEMS OF MICRO FINANCE BASED WOMEN ENTREPRENEURS: A STUDY OF NTR DISTRICT IN ANDHRA PRADESH

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Abstract : Microfinance is a relatively recent concept, involves providing access to credit and other financial services to poor, women and other vulnerable groups particularly in rural areas. Microfinance initiatives helped to support small and medium-sized businesses run by women, particularly those coming from economically disadvantaged backgrounds. In many developing economies including India microfinance-based women entrepreneurs play a vital role in driving economic growth, creating employment opportunities, and fostering social development. However, despite the transformative potential of microfinance, women entrepreneurs face various challenges that hinder their entrepreneurial journey and limit their ability to thrive in the marketplace. This research paper delves into the various challenges encountered by microfinance-based women entrepreneurs (supported by Self Help Group Bank Linkage Programme) in NTR District, Andhra Pradesh. This Research Analysis of the data reveals significant challenges, including the perception of extreme competition, limited market access, and inadequate publicity, while also highlighting nuanced views on issues such as interest rates and psychological constraints. The findings underscore the need for multifaceted approaches to address these challenges, encompassing strategies to improve market access, provide support for skill development, enhance marketing opportunities, and mitigate technical barriers. By addressing these challenges, stakeholders can empower women entrepreneurs to thrive in their ventures, fostering economic growth and development.

Keywords : Microfinance, SHG Bank Linkage Programme, Women Entrepreneurs, Entrepreneurship Challenges

I.INTRODUCTION

Microfinance has emerged as a powerful tool for promoting financial inclusion and empowering marginalized communities, particularly women, by providing them with access to credit and other financial services. In many developing economies, microfinance-based women entrepreneurs play a vital role in driving economic growth, creating employment opportunities, and fostering social development. However, despite the transformative potential of microfinance, women entrepreneurs face various challenges that hinder their entrepreneurial journey and limit their ability to thrive in the marketplace. In today's ever-evolving economic environment, microfinance initiatives often focus on supporting small and medium-sized businesses run by women, particularly those coming from economically disadvantaged

backgrounds. Microfinance, a relatively recent concept, involves offering financial aid with the aim of reducing poverty by providing capital and resources to rural entrepreneurs, enabling them to improve their income and living standards. Thanks to microfinance programs, millions of women worldwide have been able to access commercial and economic opportunities previously out of reach. In countries like India, Self-Help Groups (SHGs) play a key role in delivering various financial services to women nationwide.

Entrepreneurship is a powerful tool for creating jobs and driving economic growth in any society. However, the underrepresentation of women in entrepreneurship remains a significant global issue. Despite their considerable potential, women entrepreneurs often face neglect, with men dominating the entrepreneurial landscape. This neglect not only denies women opportunities but also hinders economic advancement and national progress. Gender disparities persist in many developing nations, limiting women's involvement in entrepreneurial activities and perpetuating cycles of poverty. The increasing presence of women in the workforce in recent decades has led to profound changes in various aspects of society, including family dynamics, economic structures, and urban landscapes. Women entrepreneurs have the ability to stimulate economic growth and job creation when given the necessary support to generate income and build assets. Additionally, women entrepreneurs tend to prioritize environmental concerns, showing a propensity for resource efficiency, waste reduction, and sustainable decision-making in both personal and business realms. By empowering women entrepreneurs, societies can unlock their potential to drive economic development, promote social equality, and encourage sustainable practices for the benefit of current and future generations.

In this context, this study aims to elucidate the multifaceted challenges encountered by microfinance-based women entrepreneurs, focusing on the nuanced complexities inherent within their entrepreneurial endeavors. By delving into the intricacies of these challenges, this research seeks to contribute to a deeper understanding of the barriers that impede the success and sustainability of women-owned businesses operating within the microfinance ecosystem. The significance of this study lies in its potential to inform policy interventions, financial strategies, and support mechanisms aimed at addressing the challenges faced by microfinance-based women entrepreneurs.

II. REVIEW OF LITERATURE

Ali (2011) concentrated on the formation of self-help groups (SHGs) in Uttar Pradesh and investigated how social capital contributes to sustainable development. By highlighting the importance of both technical expertise and entrepreneurial abilities, Ali stresses the potential of self-employment initiatives to elevate impoverished individuals out of poverty. The research identifies significant challenges across various phases of program implementation, underscoring the necessity for a holistic approach that incorporates social, human, and economic resources. The study advocates for a more comprehensive strategy, suggesting not only financial support and incentives but also the promotion of human and economic resources through services for business development, entrepreneurial education, skill enhancement, technology dissemination, and improved market entry opportunities.

Baruah's (2012) empirical research carried out in the Nalbari district of Assam examines the effects of microfinance on reducing poverty. The study scrutinizes the types of loans provided by Self-Help Groups (SHGs) to their members and finds that the loan sizes were insufficient to lift individuals out of poverty.

Notably, these funds were mainly utilized for day-to-day expenses, with minimal investment in income-generating activities. Consequently, the research reveals a lack of significant capital investment, resulting in inadequate job creation or income enhancement for members to break free from poverty. Moreover, the study points out a reliance on moneylenders or traditional banks for larger loan amounts. Furthermore, there was a notable closure of SHGs, particularly those established under government-sponsored initiatives, suggesting a disappointment with the anticipation of subsidized credit.

Vachya (2015) examines the effects of microfinance on income and employment dynamics among members of Self-Help Groups (SHGs) in six villages spanning Coastal Andhra, Rayalaseema, and Telangana regions of the erstwhile united Andhra Pradesh. The research finds that microfinance initiatives have notably enhanced the living standards of SHG members and have been instrumental in bolstering the societal empowerment of women. Empirical findings suggest that the linkage between SHGs and banks positively influences women's involvement in household decision-making processes, leading to shifts in attitudes towards social issues such as gender discrimination and the dowry system. Moreover, the study identifies several factors, including income-generating activities, education, marital status, and household assets, which statistically impact the influence of microfinance on income and employment levels.

Devananda Singh's (2016) study delves into examining the factors that drive the growth of micro-enterprises in the North-Eastern Region (NER) of India, particularly in the Imphal West district of Manipur. It identifies crucial elements such as timely and sufficient financial support, training initiatives, and the drive of entrepreneurs as pivotal to the development of micro-enterprises in the area. The research underscores the importance of accessible credit options to enable the smooth operation of these enterprises, suggesting a need to educate them about avenues offering low-interest credit facilities.

Rajeswari (2016) conducted research in the Kadapa and Kurnool districts of Andhra Pradesh, with the objective of evaluating how micro-finance impacted income distribution within the surveyed population. Using various indicators including the Gini coefficient, Atkinson's measures, Generalised entropy measures, and Decile dispersion ratio, the study discovered that non-participants exhibited the highest income inequality, whereas those involved in micro-finance programs demonstrated the lowest levels of inequality. Moreover, the study identified that income derived from agriculture, dairy, and non-farm labor significantly contributed to income inequality, while income generated from nonfarm self-employment acted as a factor in reducing inequality.

Nagayya and Appa Rao's (2016) research provides an extensive examination of the Self-Help Group (SHG)-Bank Linkage Programme (SBLP) and Microfinance Institutions-Bank Linkage (MFIBL) in India during the periods of 2008- 2016 and 2013-2016, respectively. The study underscores the importance of microfinance, particularly through SHGs, as a vital approach towards achieving financial inclusion. It highlights the coordinated efforts of the Indian government and the Reserve Bank of India in promoting financial inclusion and stresses the broader role of microfinance beyond merely providing savings and credit services. The research identifies both achievements and constraints in the advancement of microfinance, with specific attention to the merging of SBLP and the National Rural Livelihood Mission (NRLM) to bolster financial inclusion.

III .OBJECTIVES

[1] To study the problems of micro finance based women entrepreneurs

[2] To study the women’s awareness on micro finances Self-Help Groups (SHGs).

IV.METHODOLOGY

Methodologically, the research adopts a primary data-centric approach, leveraging a carefully designed questionnaire as the principal instrument for data collection. The study focal point is the NTR district of Andhra Pradesh, selected due to its robust ecosystem of microfinance-based Self-help Groups and the consequential proliferation of entrepreneurial activities therein. Employing a purposive sampling strategy, the study targets women entrepreneurs actively engaged within these Self-help Groups, employing simple random sampling technique to ensure the representativeness of the sample.

The sample size is meticulously determined to encompass 100 participants strategically the acquired data undergoes rigorous analysis through the utilization of frequency tables, chosen for their adeptness in succinctly summarizing categorical data and facilitating a systematic exploration of emerging patterns and trends.

V.RESULTS AND DISCUSSION

5.1 Problems of Women Entrepreneurs in Extreme Competition

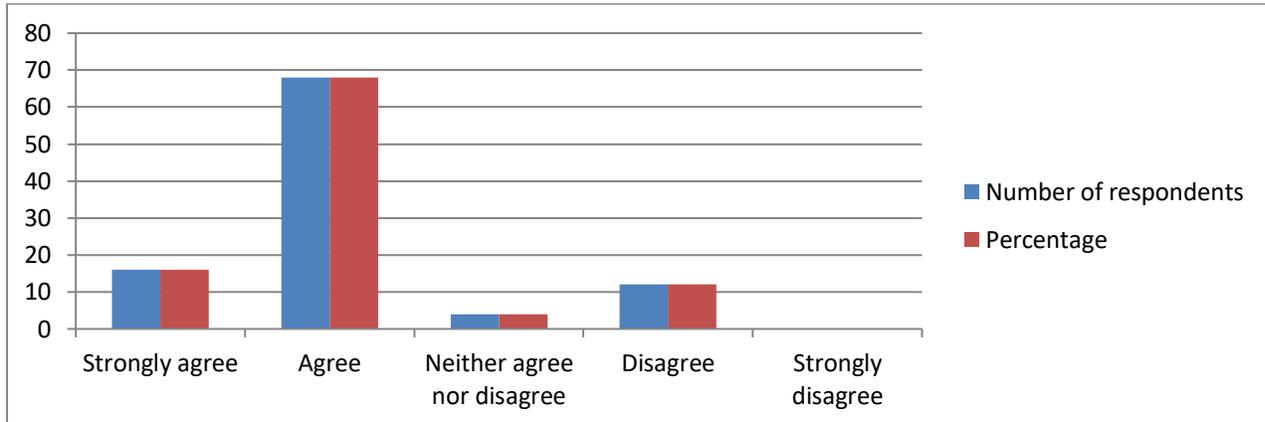
Perception of The Respondents Regarding Extreme Competition As One Of The Problems Of Women Entrepreneurs

Table – 1

Opinion of the respondents	Number of respondents	Percentage
Strongly agree	16	16
Agree	68	68
Neither agree nor disagree	4	4
Disagree	12	12
Strongly disagree	-	-
Total	100	100

Source: Field survey

Graph-1



5.2 Interpretation:

Problem of extreme competition Based on Table 1, it is evident that a significant portion of the respondents perceive extreme competition as a problem faced by women entrepreneurs. The sample respondents, comprising 16 (16%) respondents, strongly agree with this notion, indicating a high level of concern regarding the competitiveness of the entrepreneurial landscape for women. Additionally, a substantial proportion of respondents, accounting for 68 (68%), agree with the statement, further emphasizing the prevalence of this perception among the surveyed population. A small minority of respondents, constituting 4 (4%), neither agrees nor disagrees with the idea of extreme competition as a problem for women entrepreneurs. Moreover, 12 (12%) respondents express disagreement with the notion that extreme competition poses a significant problem for women entrepreneurs. This dissenting viewpoint highlights the diversity of opinions within the surveyed population, indicating that not all respondents perceive competition as a major obstacle for women in the entrepreneurial sphere. Overall, the results suggest that a substantial proportion of respondents recognize extreme competition as a notable challenge for women entrepreneurs, with a majority either strongly agreeing or agreeing with this perspective.

5.3 Problem of high interest rates

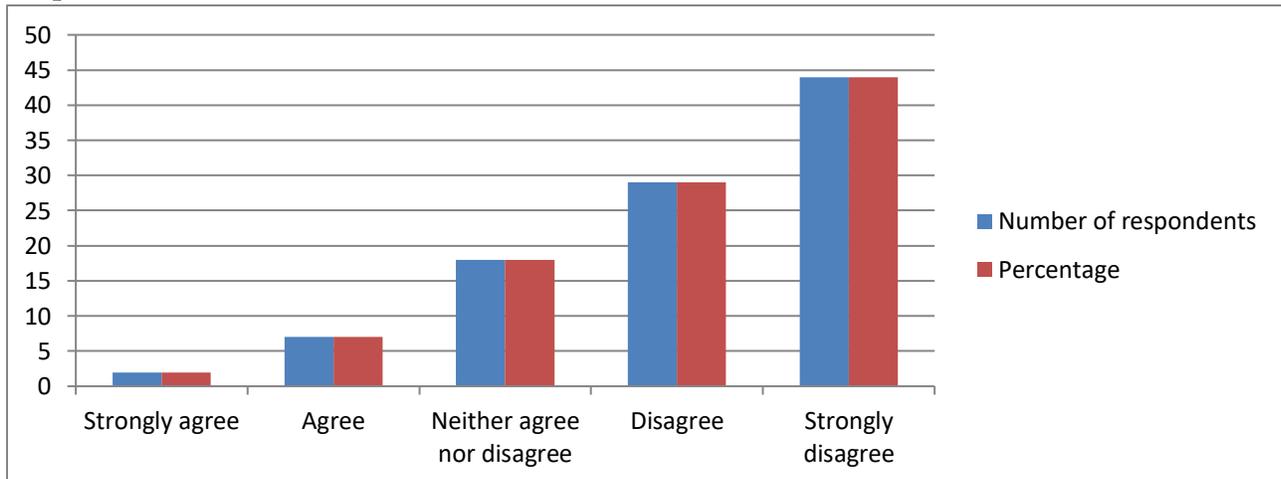
Perception of The Respondents Regarding High Interest Rates For The Debt Received From Other Than SHGS As One Of The Problems Of Women Entrepreneurs

Table – 2

Opinion of the respondents	Number of respondents	Percentage
Strongly agree	2	2
Agree	7	7
Neither agree nor disagree	18	18
Disagree	29	29
Strongly disagree	44	44
Total	100	100

Source: Field survey

Graph: 2



5.4 Interpretation:

Table 2 illustrates the perceptions of respondents regarding high interest rates for debt received from sources other than Self-Help Groups (SHGs) as a problem faced by women entrepreneurs. The majority of respondents, comprising 44 individuals (44.00%), strongly disagree with the notion that high interest rates for debt obtained from sources other than SHGs pose a significant problem for women entrepreneurs. This suggests a prevailing sentiment among a substantial portion of the surveyed population that interest rates on debt are not perceived as a major obstacle for women entrepreneurs. Similarly, 29 respondents (29%) express disagreement with the statement, further indicating a sizable segment of the population that does not view high interest rates as a significant concern for women entrepreneurs. Conversely, only a small

proportion of respondents, consisting of 2 individuals (2%) who strongly agree and 7 individuals (7 %) who agree with the statement perceive high interest rates as a problem for women entrepreneurs. This minority viewpoint suggests that some respondents do recognize the issue of high interest rates as a challenge faced by women in entrepreneurship, albeit to a lesser extent compared to those who disagree or strongly disagree. Interestingly, a considerable number of respondents, totaling 18 individuals (18 %), neither agree nor disagree with the notion of high interest rates being a problem for women entrepreneurs. Overall, the results indicate a diversity of perspectives among respondents regarding the significance of high interest rates for the debt obtained from sources other than SHGs as a problem for women entrepreneurs. While a majority does not perceive this issue as a major obstacle, a minority acknowledges its importance.

5.5 Problem of limited market access

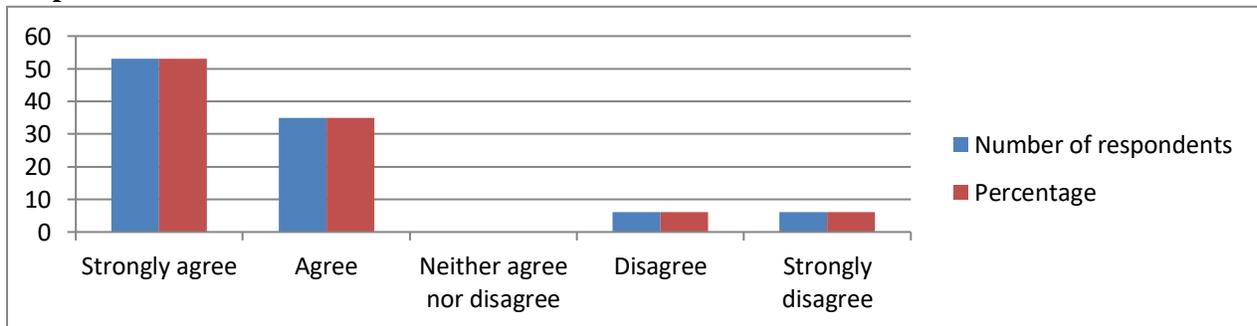
Perception of The Respondents Regarding Limited Market Access As One Of The Problems Of Women Entrepreneurs

Table - 3

Opinion of the respondents	Number of respondents	Percentage
Strongly agree	53	53
Agree	35	35
Neither agree nor disagree	-	-
Disagree	6	6
Strongly disagree	6	6
Total	100	100

Source: Field survey

Graph: 3



5.6 Interpretation:

Table 3 presents the perceptions of respondents regarding limited market access as a problem faced by women entrepreneurs. A significant majority of respondents, comprising 53 individuals (53%), strongly agree with the notion that limited market access poses a substantial problem for women entrepreneurs. This overwhelming agreement underscores the widespread recognition among the surveyed population of the challenges women face in accessing markets for their products or services. Additionally, 35 respondents (35.00%) agree with the statement, further emphasizing the prevalence of the perception that limited market access hinders the success and growth of women entrepreneurs. This high level of agreement suggests a shared understanding among a considerable portion of the respondents regarding the barriers to market entry and expansion encountered by women in entrepreneurship. On the contrary, a relatively small number of respondents express disagreement with the idea of limited market access as a significant problem for women entrepreneurs. Specifically, 6 individuals (6 %) disagree with the statement, while 6 individuals (6 %) strongly disagree. Overall, the results indicate a strong consensus among the majority of respondents regarding the challenges associated with limited market access for women entrepreneurs. This underscores the importance of addressing barriers to entry and fostering greater inclusivity in markets to support the success and sustainability of women-led businesses. Efforts to enhance market access for women entrepreneurs could involve targeted policies, capacity-building initiatives, and strategic partnerships aimed at facilitating their participation and competitiveness in various market segments.

5.7 Problem of inadequate publicity

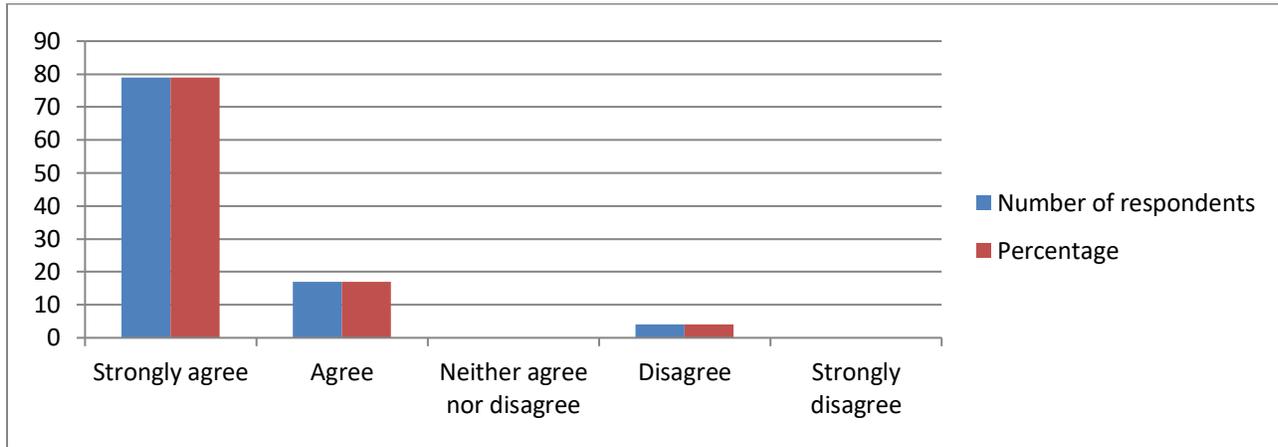
Perception of The Respondents Regarding Inadequate Publicity As One Of The Problems Of Women Entrepreneurs

Table - 4

Opinion of the respondents	Number of respondents	Percentage
Strongly agree	79	79
Agree	17	17
Neither agree nor disagree	-	-
Disagree	4	4
Strongly disagree	-	-
Total	100	100

Source: Field survey

Graph: 4



5.8 Interpretation:

Table 4 depicts the perceptions of respondents regarding inadequate publicity as a problem encountered by women entrepreneurs. The results indicate a significant consensus among respondents, with a vast majority strongly agreeing with the notion that inadequate publicity poses a substantial problem for women entrepreneurs. Specifically, 79 respondents (79 %) strongly agree with this statement, indicating a widespread recognition of the challenges women face in garnering visibility and recognition for their businesses. Additionally, 17 respondents (17 %) agree with the statement, further underscoring the prevalence of the perception that inadequate publicity inhibits the success and growth of women-led ventures. This alignment of viewpoints among a sizable portion of the surveyed population highlights the importance of addressing issues related to publicity and visibility to support the advancement of women entrepreneurs. Conversely, a minority of respondents express disagreement with the idea of inadequate publicity as a significant problem for women entrepreneurs. Specifically, 4 individuals (4 %) disagree with the statement. While this dissenting viewpoint represents a small segment of the surveyed population, it suggests a degree of variation in perspectives regarding the impact of publicity-related challenges on women's entrepreneurship. Overall, the results emphasize the widespread recognition among respondents of the hurdles associated with inadequate publicity for women entrepreneurs.

5.9 Problem of psychological constraints

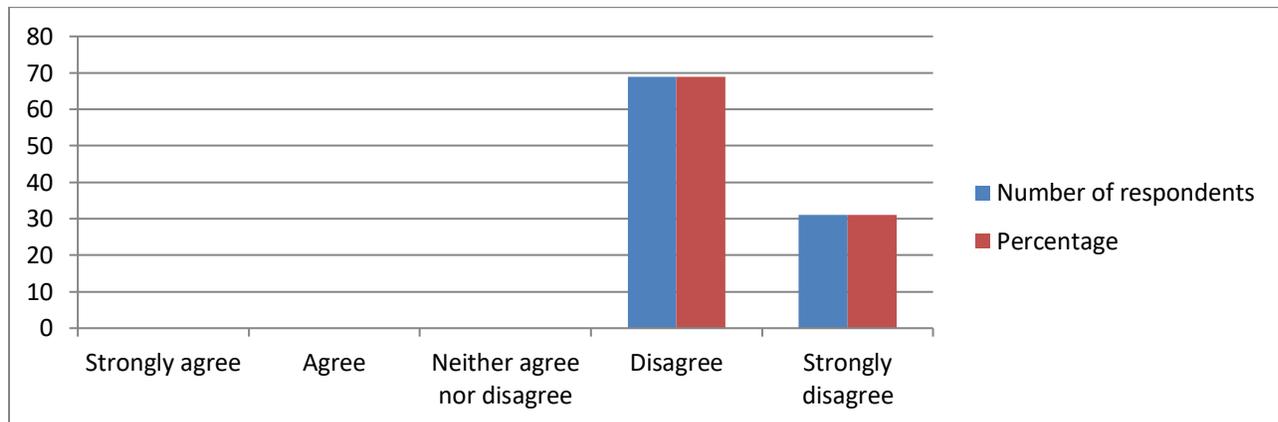
Perception of The Respondents Regarding Psychological Constraints As One Of The Problems Of Women Entrepreneurs

Table – 5

Opinion of the respondents	Number of respondents	Percentage
Strongly agree	-	-
Agree	-	-
Neither agree nor disagree	-	-
Disagree	69	69
Strongly disagree	31	31
Total	100	100

Source: Field survey

Graph: 5



5.10 Interpretation:

Table 5 presents the perceptions of respondents regarding psychological constraints such as self-doubt, fear of failure and confidence issues as a problem faced by women entrepreneurs. The data indicates that a majority of respondents, comprising 69 individuals (69 %), disagree with the notion that psychological constraints are the problems for women entrepreneurs. This suggests that psychological barriers are not the hindrances to the entrepreneurial pursuits of women. Conversely, a notable proportion of respondents, totaling 31 individuals (31 %), strongly disagree with the idea of psychological constraints being a problem for women entrepreneurs. This further reinforces the prevailing sentiment within the surveyed population that psychological factors are not perceived as significant impediments to women's entrepreneurship. Overall, the results indicate a prevailing belief among respondents that psychological constraints do not pose significant obstacles to women entrepreneurs. While this perspective may reflect the perceptions of the surveyed population, it is important to acknowledge that psychological barriers can impact individuals differently and may still represent valid challenges for certain women entrepreneurs.

Addressing these psychological constraints through supportive networks, mentorship programs, and skill-building initiatives can contribute to fostering resilience and empowering women to overcome entrepreneurial challenges more effectively.

5.11 Problem of technical constraints

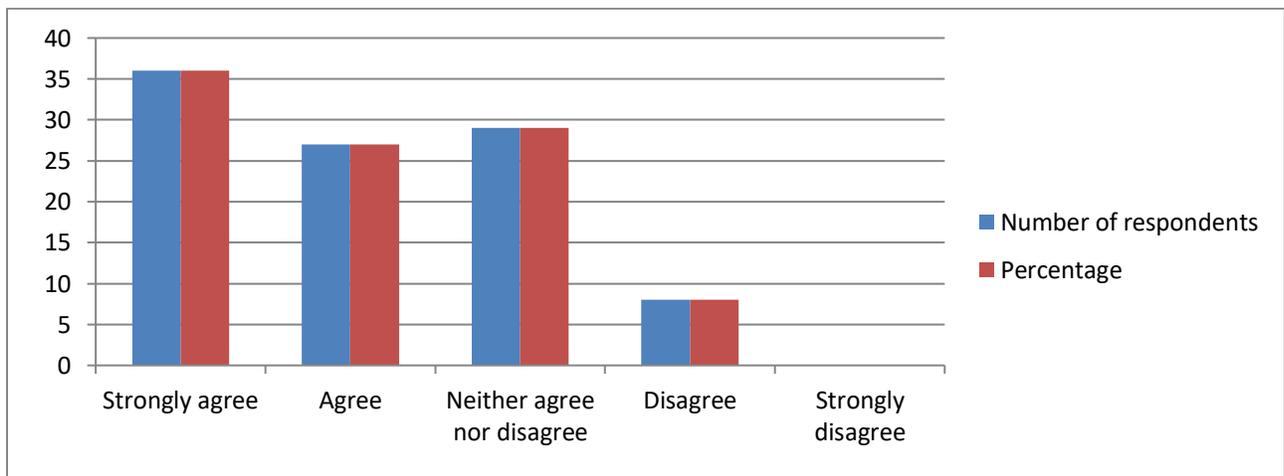
Perception of The Respondents Regarding Technical Constraints As One Of The Problems Of Women Entrepreneurs

Table – 6

Opinion of the respondents	Number of respondents	Percentage
Strongly agree	36	36
Agree	27	27
Neither agree nor disagree	29	29
Disagree	8	8
Strongly disagree	-	-
Total	100	100

Source: Field survey

Graph: 6



5.12 Interpretation:

Table 6 displays the perceptions of respondents regarding technical constraints as a problem faced by women entrepreneurs. A significant portion of respondents, comprising 36 individuals (36 %), strongly agree that technical constraints represent a notable problem for women entrepreneurs. This indicates a widespread recognition among the surveyed population of the challenges women face in accessing and utilizing technical resources necessary for business success. Additionally, 27 respondents (27 %) agree with the statement, further emphasizing the prevalence of the perception that technical constraints hinder the entrepreneurial endeavors of women. This alignment of viewpoints among a substantial portion of the surveyed population underscores the importance of addressing issues related to technical barriers to support the advancement of women-led ventures. Interestingly, a considerable number of respondents, totaling 29 individuals (29 %), neither agree nor disagree with the notion of technical constraints as a problem for women entrepreneurs. This ambivalence highlights a degree of uncertainty or lack of consensus among this segment of the surveyed population regarding the impact of technical challenges on women's entrepreneurship. Conversely, a smaller proportion of respondents, consisting of 8 individuals (8 %), disagree with the idea of technical constraints being a significant problem for women entrepreneurs. Overall, the results suggest a mixed perception among respondents regarding the significance of technical constraints as a problem for women entrepreneurs. While a notable portion agrees with the statement, indicating the prevalence of technical challenges, there remains a segment of the population that either holds differing views or is unsure about the extent of these constraints.

VI. FINDINGS AND SUGGESTIONS

6.1. Findings:

1. Micro based Finance Women Entrepreneurs to face the challenging of problem with high competition.
2. Women Entrepreneurs struggled with High Interest Rates for the Debt Received from Other Than SHGS.
3. In NTR district Women Entrepreneurs struggled with Limited Market Access.
4. In my survey Women Entrepreneurs has struggled Inadequate Publicity of market.
5. In NTR district Women Entrepreneurs has most self-confidence on their ability to doing the business
6. Most of the Women Entrepreneurs struggled with Technical Constraints in business.

6.2 Suggestions:

1. Need to improve the quality to overcome the high competition and focus on Niche market.
2. Mostly to prefer debts from only on SHGS to reduce the risk on debt interest rate.
3. To take support from Government agencies to expand the market.
4. Women Entrepreneurs need concentrate publicity of market.
5. Women Entrepreneurs need to adopt technical skills to improve the business.

VII. CONCLUSION

In conclusion, the findings highlight a range of challenges faced by women entrepreneurs in the microfinance context, including market-related issues, access to resources, and external factors such as competition and customer preferences. Addressing these challenges requires a multifaceted approach that includes improving market access, providing adequate support for skill development, and enhancing marketing opportunities. By addressing these challenges, policymakers, financial institutions, and support organizations can better empower women entrepreneurs to succeed in their ventures and contribute to economic growth and development. Further, by understanding the nuanced dynamics at play, stakeholders can design targeted interventions that empower women entrepreneurs, foster their economic independence, and contribute to broader efforts aimed at sustainable development and gender equality.

VIII. REFERENCES

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