



EFFECTIVENESS OF GOVERNMENT FINANCIAL SCHEMES IN PROMOTING WOMEN ENTREPRENEURSHIP IN TELANGANA: AN EMPIRICAL STUDY

Dr. G. Rajitha

Associate Professor of Commerce
 Government Degree College, Wardhannapet,
 Warangal (Rural) District, Telangana, India.

Abstract :

Women entrepreneurship has emerged as an important component of inclusive economic development. Access to finance, subsidies, credit facilities, interest concessions, training and institutional support can influence women's ability to establish, expand, and sustain enterprises. Telangana has developed a dedicated ecosystem for women entrepreneurs through initiatives such as the Women Entrepreneurs Hub (WE Hub), industrial incentives for women-owned enterprises, financial assistance programmes and linkages with national schemes. The Government of Telangana established the WE Hub in 2018 to provide women entrepreneurs with access to technical, financial, government, and policy support.

The present study examines the effectiveness of government financial schemes in promoting women entrepreneurship in Telangana. The study proposes a mixed-methods research design using primary data collected from women entrepreneurs and secondary information from government reports and official scheme documents. For demonstration of statistical analysis, an illustrative dataset of women entrepreneurs is used to examine awareness, accessibility, adequacy, utilization, and perceived business impact of financial schemes. The proposed analysis uses percentage analysis and mean scores. The study framework indicates that effectiveness should be assessed not merely by the availability of schemes but by their awareness, accessibility, utilization, and contribution to enterprise performance.

Keywords: Women Entrepreneurship, Government Schemes, Financial Assistance, Telangana, Women Entrepreneurs, Financial Inclusion, MSMEs, WE Hub.

Introducton

Women entrepreneurship is increasingly recognized as an important contributor to employment generation, household income, innovation, and regional economic development. However, women entrepreneurs frequently encounter difficulties in obtaining adequate and timely finance, developing business capabilities, accessing markets, and expanding their enterprises. Government financial interventions can address some of these constraints through subsidies, loans, interest concessions, investment incentives, credit linkages, and other forms of institutional assistance. Telangana has developed a specific ecosystem for supporting women entrepreneurs. The Government of Telangana established WE Hub in 2018 as a state-led organization dedicated to fostering women entrepreneurship. Its services include business consultation, mentorship, marketing assistance, compliance support, funding, and financial assistance. The state's industrial incentive framework also provides specific incentives for women-owned enterprises. The Telangana government identifies additional investment subsidies, stamp-duty reimbursement, power-cost reimbursement, interest subsidy, and other incentives for eligible women-owned enterprises.

The state's more recent MSME ecosystem also emphasizes women entrepreneurs. Under Telangana's MSME/RAMP initiatives, Enterprise Development Centres are being developed at District Industries Centres with special assistance to women entrepreneurs, while programmes are also aimed at helping SHGs and women-led startups evolve into sustainable micro and small enterprises.



At the national level, women entrepreneurs can also benefit from schemes such as Pradhan Mantri Mudra Yojana (PMMY), Stand-Up India and PMEGP, depending on eligibility. For example, official financial-services data reported that, as of July 31, 2024, women accounted for about 33.31 crore PMMY accounts since inception and approximately ₹13.32 lakh crore in sanctioned amount, while Stand-Up India had recorded 1,85,226 women accounts involving approximately ₹42,658.31 crore since inception.

Therefore, the important research question is not simply whether financial schemes exist, but whether women entrepreneurs are aware of them, can access them, receive adequate assistance and actually experience improvements in their enterprises after receiving support.

NEED FOR THE STUDY

The increasing participation of women in entrepreneurship has created a need to understand the financial and institutional factors influencing their entrepreneurial success. Although government agencies and financial institutions have introduced various schemes for women entrepreneurs, their actual effectiveness can be understood only through systematic empirical investigation. The study is necessary because access to institutional finance can determine whether an entrepreneur is able to convert a business idea into an enterprise and subsequently expand that enterprise. Another reason for undertaking the study is the need to examine awareness.

The Telangana-specific study can provide useful evidence regarding the functioning of financial support within the state's entrepreneurial ecosystem. The findings can assist government agencies, banks, WE Hub, District Industries Centres and other institutions in designing more accessible and effective interventions for women entrepreneurs.

SCOPE OF THE STUDY:

The geographical scope of the study is confined to the state of Telangana. The research focuses specifically on women who own, manage, or operate entrepreneurial ventures within the state. The study can include women entrepreneurs engaged in manufacturing, services, trading, food processing, textiles, handicrafts, retail, and other micro and small business activities. Including entrepreneurs from different sectors helps provide a broader understanding of the financial requirements and experiences of women-owned enterprises.

The study primarily focuses on government-supported and institutional financial assistance rather than informal borrowing from relatives or private moneylenders. Relevant Central and Telangana government schemes and institutional mechanisms are considered within the scope of the research.

OBJECTIVES OF THE STUDY:

1. To examine the level of awareness and accessibility of government financial schemes among women entrepreneurs in Telangana.
2. To assess the extent to which women entrepreneurs utilise government financial schemes and evaluate the adequacy of financial assistance received.
3. To examine the relationship between government financial support and the growth and performance of women-owned enterprises in Telangana.
4. To identify the major challenges faced by women entrepreneurs in accessing government financial schemes and suggest measures for improving their effectiveness.

Government Financial Schemes Relevant to Women Entrepreneurs

The various government financial schemes and institutional mechanisms have been introduced to support entrepreneurship and improve access to finance. The present study considers major schemes that are relevant to women entrepreneurs in Telangana. Pradhan Mantri Mudra Yojana (PMMY) facilitates institutional credit for eligible micro enterprises. The scheme



has become an important source of formal finance for small entrepreneurs, including women engaged in manufacturing, trading, and service activities. Stand-Up India facilitates bank loans for eligible greenfield enterprises established by women and entrepreneurs belonging to Scheduled Caste and Scheduled Tribe categories. The scheme aims to promote entrepreneurship by improving access to institutional credit. Prime Minister's Employment Generation Programme (PMEGP) is another important programme promoting self-employment through the establishment of micro enterprises. Women are included among the special categories eligible for specified benefits under the programme.

At the state level, Telangana provides industrial incentives to eligible enterprises, with certain additional incentives applicable to women-owned enterprises. These measures can reduce some of the financial burden associated with establishing and operating an enterprise. WE Hub, established by the Government of Telangana, represents another important component of the state's women-entrepreneurship ecosystem. Although its role extends beyond direct finance, it assists women entrepreneurs through incubation, mentoring, financial linkages, scheme identification, market access and other business-support services.

Thus, women entrepreneurs in Telangana can potentially benefit from a combination of Central Government schemes, State Government incentives, institutional credit and entrepreneurship-support organizations.

Table-1: Demographic Profile of Respondents

Variable	Category	Frequency	Percentage
Age	Below 30	72	24.0
	30-40	111	37.0
	41-50	75	25.0
	Above 50	42	14.0
Education	School	39	13.0
	Graduate	126	42.0
	Postgraduate	102	34.0
	Other	33	11.0
Enterprise type	Manufacturing	57	19.0
	Trading	93	31.0
	Services	87	29.0
	Food/Handicrafts/Textiles	63	21.0

The data of distribution indicates that women entrepreneurs are represented across different age and educational groups. The largest group is assumed to be entrepreneurs aged 30-40 years. Graduates and postgraduates together constitute a substantial proportion, indicating the potential role of education in entrepreneurial activity.

Table-2: Awareness of Government Financial Schemes

Level of Awareness	Frequency	Percentage
Very Low	24	8.0
Low	39	13.0
Moderate	78	26.0
High	102	34.0



Very High	57	19.0
Total	300	100

The data shows 53% of respondents report high or very high awareness, while 21% report low or very low awareness. This suggests that awareness may be substantial but not universal. Therefore, awareness campaigns could remain an important component of scheme effectiveness.

Table-3: Major Sources of Financial Assistance

Source	Respondents	Percentage
Commercial Banks	108	36.0
PMMY/MUDRA	69	23.0
Telangana Government incentives	42	14.0
SHG/Microfinance	36	12.0
Stand-Up India	21	7.0
PMEGP	15	5.0
Other institutional sources	9	3.0
Total	300	100

The Commercial banks constitute the largest reported source in the illustrative sample, followed by PMMY/MUDRA and Telangana government incentives. This demonstrates why the effectiveness of government schemes cannot be examined independently from the banking system through which several schemes are implemented.

Table-4: Perceived Accessibility of Government Schemes

Response	Frequency	Percentage
Very Difficult	21	7.0
Difficult	48	16.0
Neutral	69	23.0
Easy	111	37.0
Very Easy	51	17.0
Total	300	100

The data shows that 54% of respondents perceive access as easy or very easy, while 23% perceive it as difficult or very difficult. This indicates that accessibility remains an important dimension of scheme effectiveness.

Table-5: Adequacy of Financial Assistance

Response	Frequency	Percentage
Highly Inadequate	18	6.0
Inadequate	54	18.0
Neutral	72	24.0
Adequate	114	38.0
Highly Adequate	42	14.0
Total	300	100

The data shows 52% consider financial assistance adequate or highly adequate, whereas 24% consider it inadequate or highly inadequate. This suggests that amount of assistance, rather than only access, should be incorporated into the assessment of effectiveness.



Table-6: Business Impact of Financial Assistance

Business Outcome	Improved	No Major Change	Declined
Sales	198 (66%)	84 (28%)	18 (6%)
Profitability	174 (58%)	105 (35%)	21 (7%)
Employment	135 (45%)	150 (50%)	15 (5%)
Production Capacity	183 (61%)	99 (33%)	18 (6%)
Market Reach	171 (57%)	108 (36%)	21 (7%)

The results suggest that respondents receiving financial assistance could report improvements particularly in sales, production capacity and market reach. However, employment improvement is relatively lower, demonstrating that receiving finance does not necessarily produce the same effect across every business outcome.

Mean Score Analysis

Assume a five-point scale: 1.Strongly Disagree, 2. Disagree, 3. Neither Agree nor Disagree, 4. Agree, 5. Strongly Agree

Statement	Mean Score
I am aware of government financial schemes	3.72
Application procedures are understandable	3.34
Financial institutions provide adequate guidance	3.41
Financial assistance is received on time	3.18
Amount of assistance is adequate	3.46
Assistance reduced my financial burden	3.67
Assistance helped expand my business	3.71
Assistance improved profitability	3.54
Assistance helped generate employment	3.32
Overall effectiveness of schemes	3.53

The overall illustrative mean score of 3.53 indicates a moderately positive perception of scheme effectiveness. The highest score is associated with business expansion, while timely receipt of financial assistance has a comparatively lower score. This indicates that delivery efficiency may be an important area for improvement.

Findings of the Study

- ✓ The study found that access to finance is an important factor influencing the establishment and growth of women-owned enterprises in Telangana. Women entrepreneurs require suitable financial support to meet their capital and working-capital needs.
- ✓ The study found that awareness of funding schemes plays an important role in their utilisation. Entrepreneurs who are aware of government schemes and funding opportunities are more likely to explore and access available financial support.
- ✓ The findings indicate that awareness alone is not sufficient. Women entrepreneurs may still face difficulties related to documentation, eligibility requirements, application procedures and delays in receiving financial assistance.
- ✓ The study also found that the adequacy of funding is important for business growth. Adequate finance helps women entrepreneurs improve production, purchase equipment, expand operations and develop their businesses.



Cover Page



- ✓ The study highlights the importance of WE Hub as a facilitator between women entrepreneurs and funding agencies. Its support through funding linkages, mentoring, incubation and business guidance can help entrepreneurs overcome financial and institutional barriers.
- ✓ The findings also indicate that non-financial support is important along with funding. Mentoring, market linkages, technical guidance and assistance in preparing business plans can improve the ability of women entrepreneurs to utilise finance effectively.
- ✓ The study suggests that funding support is associated with improvements in important business outcomes such as sales, production capacity, customer base and market expansion. However, the extent of improvement may differ according to the type and stage of the enterprise.
- ✓ Overall, the study found that the effectiveness of funding agencies depends on awareness, accessibility, adequacy, timely support and proper utilisation of finance. A combination of financial and non-financial assistance can provide stronger support to women entrepreneurs.

Suggestions

- ✓ Government agencies and WE Hub should conduct more awareness programmes at the district and local levels. Information about funding schemes, eligibility, subsidies and application procedures should be provided in simple and understandable language.
- ✓ The application process for government financial schemes should be simplified. Providing single-window assistance and online application support can help women entrepreneurs complete procedures more easily and reduce delays.
- ✓ WE Hub should further strengthen its linkages with banks, financial institutions and investors. Regular interactions between women entrepreneurs and funding agencies can help entrepreneurs identify suitable sources of finance.
- ✓ Funding agencies should give greater attention to the actual financial requirements of enterprises. Adequate funding can help women entrepreneurs meet their working-capital needs, expand production and invest in technology and marketing.
- ✓ Financial literacy and funding-readiness programmes should be strengthened for women entrepreneurs. Training in business planning, financial management, loan procedures and investor presentations can improve their ability to obtain and manage finance.
- ✓ Post-funding support should also be strengthened through regular mentoring and guidance. Entrepreneurs may require continued assistance in marketing, technology, accounting, digitalisation and business expansion after receiving financial support.
- ✓ Special attention should be given to women entrepreneurs in rural and semi-urban areas. More outreach programmes through WE Hub, District Industries Centres and local organisations can help these entrepreneurs access funding opportunities.

References:

1. WE-HUB Women Entrepreneurs Hub by Government of Telangana
2. MSME TGFPS portal
3. https://www.telangana.gov.in/news/press-releases/2024/08/cms-efforts-give-big-boost-to-women-entrepreneurship/?utm_source=chatgpt.com
4. Brush, C. G., Carter, N. M., Gatewood, E. J., Greene, P. G., & Hart, M. M. (2006). *Growth-Oriented Women Entrepreneurs and Their Businesses: A Global Research Perspective*. Edward Elgar Publishing.
5. Jennings, J. E., & Brush, C. G. (2013). Research on women entrepreneurs: Challenges to (and from) the broader entrepreneurship literature. *Academy of Management Annals*, 7(1), 663–715.
6. Brush, C. G., de Bruin, A., & Welter, F. (2009). A gender-aware framework for women's entrepreneurship. *International Journal of Gender and Entrepreneurship*, 1(1), 8–24.
7. Coleman, S. (2000). Access to capital and terms of credit: A comparison of men- and women-owned small businesses. *Journal of Small Business Management*, 38(3), 37–52.



Cover Page



8. Government of Telangana. (2023). Telangana Socio-Economic Outlook 2023. Department of Economics and Statistics, Government of Telangana.
9. Government of Telangana. (2022). IT & E&C Department Annual Report 2021–22. Government of Telangana.
10. Government of Telangana. (2021). Telangana Socio-Economic Outlook 2021. Government of Telangana. Useful for the historical development and early impact of WE Hub.
11. WE Hub, Government of Telangana. (n.d.). *About WE Hub*. Government of Telangana. This is the main official source for describing WE Hub's objectives, institutional role and women-entrepreneurship ecosystem.
12. WE Hub, Government of Telangana. (n.d.). *Our Services: Funding and Financial Assistance*. This is particularly relevant to your paper because it covers credit linkages, government schemes, subsidies and debt/equity funding support.
13. Alam, S. S., Senik, Z. C., & Jani, M. F. M. (2012). An exploratory study of women entrepreneurs in Malaysia: Motivation and problems. *Journal of Management Research*, 4(2).