



A Study On The Impact Of Mudra Yojana In Creating Sustainable Entrepreneurial Culture For Women's In Amravati District

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Abstract

This research paper investigates the effectiveness of the PradhanMantri Mudra Yojana (PMMY) in promoting sustainable entrepreneurship among women in Amravati District, Maharashtra. The PMMY scheme aims to enhance financial inclusion and empower women entrepreneurs by providing access to microfinance. This study employs a mixed-methods approach, combining quantitative surveys and qualitative interviews to assess the scheme's impact on financial strengthening, business performance, and socio-economic empowerment of women entrepreneurs. A sample of 200 women entrepreneurs who have benefited from PMMY was analyzed using statistical methods, including Cronbach's Alpha for reliability testing and factor analysis through KMO and Bartlett's tests.

The findings reveal that PMMY significantly enhances financial accessibility, leading to improved business performance and socio-economic status among women participants. A Strengths, Weaknesses, Opportunities, and Challenges (SWOC) analysis highlights the scheme's role in fostering an entrepreneurial culture while identifying areas for improvement, such as awareness and procedural complexities. The study concludes that while PMMY has positively impacted women's entrepreneurship in Amravati, strategic enhancements in outreach and training are essential for maximizing its potential. This research contributes to the existing literature on women's empowerment through financial initiatives and provides insights for policymakers aiming to bolster the entrepreneurial ecosystem for women in India.

Key Words: Mudra Yojana, Women Entrepreneurship, Financial Inclusion, Socio-Economic Empowerment, SWOC Analysis, Business Performance.

1. Introduction

Women's entrepreneurship is critical for socio-economic growth, especially in developing economies like India, where social and financial barriers limit women's full participation in the workforce. Government initiatives such as the PradhanMantri Mudra Yojana (PMMY) aim to promote inclusivity in entrepreneurship by providing access to credit for women who otherwise might lack resources. PMMY offers three categories of loans-Shishu, Kishore, and Tarun-tailored to suit different business stages, from startups to expansion plans.

Despite these provisions, the effectiveness of PMMY in fostering a sustainable entrepreneurial culture for women in specific areas, like Amravati District, remains underexplored. This research aims to assess PMMY's impact on financial inclusion, business performance, and socio-economic empowerment among women entrepreneurs in Amravati. By using a SWOC analysis (Strengths, Weaknesses, Opportunities, and Challenges), we can evaluate PMMY's impact holistically, exploring both the advantages it offers and the challenges women face in utilizing these benefits. Such insights can guide policymakers in refining the scheme to better support women entrepreneurs.

Research Problem

Despite a range of government-led financial initiatives aimed at empowering women in India, the barriers to entrepreneurship for women in semi-urban and rural areas remain formidable. For women in Amravati, one of the primary obstacles is access to financial resources necessary for starting and expanding businesses. The PradhanMantri Mudra Yojana (PMMY) was launched to improve financial inclusion by offering microloans specifically intended to support small and micro-enterprises. However, there is limited evidence on the actual effectiveness of PMMY in fostering sustainable entrepreneurship among women in this region.

Given the context of Amravati District, where socio-economic constraints and traditional barriers are particularly prevalent, the research problem centers on evaluating whether PMMY has succeeded in creating a supportive entrepreneurial ecosystem for women. Key questions arise as to the scheme's efficacy in addressing these barriers, as well as its ability to empower women both financially and socially. This study, therefore, seeks to assess the impact of PMMY on financial inclusion, business performance, and socio-economic empowerment of women entrepreneurs, and to understand the scheme's strengths, weaknesses, opportunities, and challenges.

Research Gap

Existing studies have broadly examined the PMMY scheme's impact on entrepreneurship development in India. However, there is a lack of specific research focused on its effects in smaller, semi-urban regions like Amravati, where cultural and economic dynamics can differ significantly from larger urban centers. Many studies address PMMY's contribution to financial inclusion but do not explore the full extent of its influence on business performance, socio-economic empowerment, and sustainable entrepreneurship among women. Furthermore, few studies incorporate a SWOC (Strengths, Weaknesses, Opportunities, and Challenges) analysis to holistically evaluate PMMY's potential and limitations for women entrepreneurs.

This study addresses these gaps by focusing on:

1. **Regional Context:** Analyzing the impact of PMMY specifically in the Amravati District, considering local socio-economic factors.
2. **Comprehensive Analysis:** Evaluating financial inclusion alongside business performance and socio-economic empowerment, providing a more rounded view of the scheme's impact.
3. **SWOC Framework:** Using SWOC analysis to identify PMMY's strengths and weaknesses in the region, as well as the challenges faced by women in utilizing these benefits.

2. Objectives of the Study

1. To assess the role of PMMY in promoting financial inclusion for women entrepreneurs in Amravati.
2. To analyse the impact of PMMY on business performance and socio-economic empowerment.
3. To evaluate the strengths, weaknesses, opportunities, and challenges (SWOC) faced by women entrepreneurs utilizing PMMY in Amravati.

3. Review of Literature

3.1 Women's Financial Inclusion and Economic Growth

Women's financial inclusion has become a global priority, recognized as essential for economic growth and poverty alleviation. According to studies by the World Bank, financial inclusion improves household financial resilience and leads to more robust economic contributions from women entrepreneurs. In India, access to credit remains a significant barrier, especially for women from marginalized backgrounds. Research suggests that access to credit is not just a tool for economic growth but also for personal empowerment, as it enables women to gain economic agency, develop skills, and improve their social status (Kumar, 2022).

3.2 PMMY and Women's Entrepreneurship

Since its inception in 2015, PMMY has provided accessible financing to millions of entrepreneurs. Studies by Sharma and Gupta (2021) indicate that PMMY has successfully facilitated the growth of small businesses, especially among women. However, PMMY's impact varies across different regions and demographics. For instance, while PMMY addresses credit needs, limited training and market access for rural women entrepreneurs restrict the scheme's full impact. The literature also suggests that PMMY's effect is enhanced when combined with entrepreneurship development programs that offer skills training.

3.3 SWOC Analysis for Assessing PMMY's Impact

The SWOC framework is effective for evaluating large-scale government programs like PMMY. Research by Desai (2020) highlights that SWOC analysis can identify not only the strengths and opportunities provided by such schemes but also the systemic weaknesses and challenges that limit their success. For instance, while PMMY's loan structure is a strength, challenges such as insufficient financial literacy and complex application procedures can hinder women entrepreneurs from fully benefiting from the scheme.

4. Research Methodology

4.1 Sampling Size and Technique

- **Universe:** Women entrepreneurs in Amravati District who have received PMMY loans.
- **Sample Size:** 10 women entrepreneurs were selected.
- **Sampling Technique:** Purposive sampling was used to target women who are direct beneficiaries of PMMY loans.

4.2 Data Collection

Data was collected using structured questionnaires with sections covering eight key parameters: Financial Inclusion, Business Performance, Entrepreneurial Growth, Socio-economic Empowerment, and the SWOC dimensions (Strengths, Weaknesses, Opportunities, and Challenges). Each parameter was assessed through multiple items, ensuring comprehensive coverage.

4.3 Reliability and Validity Testing

Reliability was checked using Cronbach's Alpha, while sampling adequacy was validated through the Kaiser-Meyer-Olkin (KMO) measure and Bartlett's Test of Sphericity.

5. Hypothesis Testing

The study tests the following hypotheses:

1. **H1:** PMMY significantly promotes financial inclusion for women entrepreneurs in Amravati.
2. **H2:** PMMY has a significant positive impact on the business performance and socio-economic empowerment of women entrepreneurs.

5.1 Reliability and KMO Analysis Results

Parameter	Items	Cronbach's Alpha	KMO	Chi-Square	df	Significance
Financial Inclusion	10	0.806	0.801	272.986	45	0.000
Business Performance	10	0.800	0.787	284.820	45	0.000
Socio-economic Empowerment	10	0.801	0.807	278.169	45	0.000
Strengths of PMMY	6	0.801	0.819	127.459	15	0.000
Challenges of PMMY	6	0.805	0.760	183.797	15	0.000

5.2 Hypothesis Testing Calculation

Test Statistic for H1: We applied the chi-square test to test for significant differences in responses related to Financial Inclusion.

- **Chi-square (Financial Inclusion):** 272.986, **df = 45, p < 0.05**
 - Since $p < 0.05$, H1 is accepted, indicating that PMMY has a significant effect on financial inclusion.

Test Statistic for H2: For Business Performance and Socio-economic Empowerment, we performed chi-square tests for both sub-parameters.

- **Chi-square (Business Performance):** 284.820, **df = 45, p < 0.05**
 - This result supports H2, confirming PMMY's positive impact on business performance.

The test results across both hypotheses suggest that PMMY significantly enhances both financial inclusion and business growth among women in Amravati.

6. Summary

This study aimed to evaluate the impact of the PradhanMantri Mudra Yojana (PMMY) on fostering a sustainable entrepreneurial culture among women in Amravati District. PMMY, introduced by the Government of India, aims to provide accessible and low-cost financing options to micro, small, and medium-sized enterprises (MSMEs) with a strong emphasis on financial inclusion. Given the challenges faced by women entrepreneurs in semi-urban regions like Amravati, such as limited financial literacy, socio-economic constraints, and restricted access to traditional funding sources, this study sought to assess PMMY's effectiveness in overcoming these barriers.

The research examined the scheme's impact through the lenses of financial inclusion, business performance, and socio-economic empowerment of women entrepreneurs. Using a comprehensive survey approach, the study gathered data on women's experiences with PMMY, their challenges, and their perception of PMMY's strengths and weaknesses. Statistical analyses, including Cronbach's Alpha for reliability, KMO, and Bartlett's tests, confirmed the adequacy of the sampling and reliability of the data. Chi-square tests were employed to test the hypotheses regarding PMMY's influence on financial inclusion, business performance, and empowerment.

The results indicated significant positive outcomes for women entrepreneurs engaged with PMMY. Women reported increased access to financial resources and a greater ability to start and sustain business activities due to the accessible and structured loans provided by PMMY. Furthermore, the scheme showed significant contributions to improving women's business performance and socio-economic empowerment, enhancing their ability to generate income, improve family welfare, and gain social standing. The SWOT analysis highlighted the scheme's strengths, such as financial accessibility and low interest rates, while also pointing out areas for improvement, including the application process's complexity and limited awareness in certain areas.

In sum, PMMY has successfully empowered women entrepreneurs in Amravati by helping them overcome financial barriers and create a more inclusive and supportive business environment. However, challenges remain, especially regarding the awareness and procedural accessibility of the scheme.

7. Conclusion

The findings of this research underscore PMMY's vital role in promoting financial inclusion and supporting sustainable entrepreneurship among women in Amravati District. Through accessible microloans, PMMY has opened new avenues for women who traditionally had limited or no access to credit. By fostering financial independence and improving women's access to financial resources, PMMY has enabled women entrepreneurs to actively participate in the regional economy, thereby positively impacting their households and the broader community.

The study's results affirm that PMMY contributes not only to economic empowerment but also to broader socio-economic gains. Women entrepreneurs who benefited from the scheme reported increased self-confidence, enhanced decision-making capabilities, and greater social recognition. This empowerment effect aligns with the broader goals of government policies aimed at gender equality and economic development. PMMY's emphasis on promoting women-led MSMEs complements India's efforts toward inclusive growth, targeting underserved populations in rural and semi-urban areas.

Despite these achievements, several challenges persist. Awareness about PMMY remains limited in some communities, and procedural obstacles, such as documentation requirements, often deter potential applicants. The study's SWOT analysis also highlights the need for continuous support and training programs to help women optimize their use of PMMY loans. Tailoring financial literacy programs to educate women about effective loan utilization, business management, and risk assessment can further enhance PMMY's effectiveness.

In conclusion, while PMMY has made significant strides in supporting women entrepreneurs, the study recommends the following improvements to maximize its impact:

1. **Enhanced Awareness Programs:** Expanding outreach efforts in semi-urban and rural areas to increase PMMY awareness among potential beneficiaries.
2. **Simplified Loan Application Process:** Streamlining application procedures to make loans more accessible to women with varying levels of literacy and financial knowledge.
3. **Financial Literacy Training:** Providing continuous training programs on financial management, business strategy, and loan utilization for women entrepreneurs.
4. **Periodic Monitoring and Evaluation:** Implementing mechanisms to assess PMMY's impact periodically, ensuring that the scheme remains relevant and responsive to evolving entrepreneurial challenges.

This study provides a foundation for understanding PMMY's role in fostering women's entrepreneurship in Amravati District and offers insights for policymakers, financial institutions, and stakeholders working toward inclusive growth. By addressing existing challenges and capitalizing on PMMY's strengths, the government can further support the emergence of a resilient and inclusive entrepreneurial culture among women, advancing India's socio-economic development goals.

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