



“Access To Finance, Digital Inclusion And Enterprise Performance Of Minority Women Entrepreneurs In Keonjhar District – An Empirical Study”

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Abstract

Women entrepreneurship is steadily more acknowledged as a powerful driver of inclusive economic growth, yet minority women entrepreneurs in backward districts like Keonjhar, Odisha, continue to face structural barriers in accessing finance and digital resources. This empirical study investigates how access to finance and digital inclusion influence the enterprise performance of minority women entrepreneurs in Keonjhar district. The study is based on primary data collected through structured questionnaires and field interactions with minority women engaged in micro and small enterprises across selected blocks of the district. This research examines the relationship between formal credit access, participation in government financial schemes, digital literacy, use of UPI and mobile banking, and business performance indicators such as profitability, sales growth, market reach, and sustainability. The findings reveal that limited collateral security, procedural complexities in banking institutions, and low financial awareness restrict access to formal finance. However, digital inclusion—particularly the adoption of digital payment systems, social media marketing, and online banking—significantly enhances operational efficiency, financial transparency, and customer connectivity. Entrepreneurs who actively utilize digital platforms report higher income stability and business expansion. The study highlights that financial access and digital empowerment together act as catalysts for enterprise growth. It recommends targeted policy interventions, including simplified credit mechanisms, gender-sensitive financial products, and structured digital literacy programs to strengthen minority women-led enterprises. The research underscores the transformative potential of financial and digital inclusion in promoting sustainable entrepreneurship and socio-economic development in rural India.

Keywords: Financial Inclusion, Entrepreneurs, Sustainability, Empowerment, Stability, Transformative

1.Introduction

Entrepreneurship plays a crucial role in promoting inclusive economic growth, employment generation, and poverty reduction, particularly in developing economies like India. In recent years, women entrepreneurship has gained increasing recognition as a powerful instrument for socio-economic empowerment. However, minority women entrepreneurs—especially those belonging to Scheduled Castes (SC), Scheduled Tribes (ST), and religious minority communities—continue to face structural disadvantages that restrict their business growth and sustainability. These challenges are more pronounced in rural and semi-urban districts such as Keonjhar in Odisha.

Keonjhar District, though rich in mineral resources, has a significant rural population with limited access to formal financial institutions and digital infrastructure. Minority women entrepreneurs in this region are primarily engaged in micro and small enterprises such as handicrafts, food processing, tailoring, retail trade, and agricultural-based activities. Despite their potential contribution to local economic development, their enterprises often remain small-scale due to restricted access to credit, inadequate financial literacy, and limited exposure to digital technologies.

Access to finance is a critical determinant of entrepreneurial success, as it enables investment in productive assets, technology adoption, and market expansion. Similarly, digital inclusion—comprising access to internet connectivity, digital devices, and digital skills—has become essential in today's competitive business environment. By analysing empirical data, the research aims to highlight key challenges and propose strategies to enhance their economic participation and business growth.

1.1 Challenges Identified

1. **Limited Access to Formal Finance** - Many minority women entrepreneurs face difficulty obtaining loans from banks due to strict documentation, collateral requirements, and complex procedures. As a result, they often depend on informal sources or Self-Help Groups (SHGs).
2. **Low Financial Literacy** - A large number of entrepreneurs have limited knowledge about financial products, credit schemes, interest rates, and financial management, which affects effective decision-making.
3. **Digital Divide** - Lack of digital skills, limited internet connectivity, and inadequate knowledge of online financial services restrict the use of digital platforms for business activities.
4. **Socio-Cultural Barriers** - Traditional gender roles, limited mobility, and lack of family support reduce women's participation and decision-making in entrepreneurial activities.
5. **Limited Market Access** - Most entrepreneurs operate in local markets with limited exposure to broader marketing networks, which restricts business growth and customer reach.
6. **Infrastructure Problems** - Poor transportation, irregular electricity supply, and weak digital infrastructure create operational challenges for small enterprises.
7. **Lack of Institutional Support** - Many women entrepreneurs do not receive adequate mentoring, training, or business advisory support, which limits enterprise development.

1.2 Proposed Solutions

1. **Improve Access to Formal Financial Services** - Banks and financial institutions should promote collateral-free loans and strengthen SHG-bank linkage programs.
2. **Enhance Financial Literacy** - Training programs should be organized to educate women entrepreneurs about financial management, credit facilities, and government schemes.
3. **Promote Digital Inclusion** - Digital literacy programs should be introduced to train entrepreneurs in digital payments, online banking, and e-commerce.
4. **Strengthen Market Linkages** - Entrepreneurs should be encouraged to participate in trade fairs, exhibitions, and online marketplaces to expand their market reach.
5. **Address Socio-Cultural Barriers** - Community awareness programs should promote family support and encourage women's economic participation.
6. **Improve Infrastructure** - Government investment in transportation, electricity supply, and digital connectivity is necessary to support enterprise growth.
7. **Encourage Institutional Collaboration** - Government agencies, financial institutions, and NGOs should work together to support minority women entrepreneurs through integrated policies and programs.

2. Review Literature

Sowmya B and Ramesh Pai [2025] This study explains how digital financial services, mobile banking, and e-commerce create better opportunities for women entrepreneurs. It also highlights major challenges like digital illiteracy, social barriers, weak infrastructure, cybersecurity risks, and lack of supportive policies. Although government initiatives and fintech solutions are helping, more financial literacy programs, policy reforms, and better digital infrastructure are needed to ensure equal digital participation for women in the informal sector.

Thanh Binh Nguyen and Mohan Kumar [2025] Previous studies show that women entrepreneurs play an important role in economic growth and social development, especially in micro and small enterprises. However, they face challenges such as gender discrimination, limited access to finance, and socio-cultural barriers. Research also highlights that digital platforms and supportive policies can improve opportunities for women entrepreneurs and help them overcome these challenges.

Elissa Dwi Lestari and Florentina Kurniasari [2025] A study on women entrepreneurs in Indonesia highlights that financial inclusion, financial literacy, and access to finance are important for business growth and sustainability. However, women often face barriers such as low financial knowledge, limited access to formal financial institutions, and gender bias in lending. The study found that improving financial literacy and inclusion increases financial access, which helps enhance entrepreneurial development, business performance, and long-term sustainability of women-owned SMEs.

Amelia Sugangga and F. Danardana Muwarni [2026] A study conducted among women-owned SMEs in Bandung, Indonesia examined the role of financial inclusion and entrepreneurial orientation in business sustainability. The study found that these factors do not directly influence business sustainability but significantly improve strategic agility, which in turn strengthens business sustainability. Thus, strategic agility plays an important mediating role in improving the long-term success of women-owned businesses.

Charles Tandilino and Grace Theresia Pontoh [2025] A study on MSMEs in Indonesia found that digital financial literacy and government support improve business performance through digital financial inclusion (DFI). Digital financial inclusion helps businesses expand markets, improve efficiency, make easier transactions, and gain better access to finance. The study highlights the importance of digital skills and supportive government policies for the growth and sustainability of MSMEs.

Oniore Jonathan Ojarikre and Simpa Joan Chidera [2024] A study in Nigeria found that digital financial services (DFS) help improve the performance and empowerment of women entrepreneurs. Access to digital finance provides better financial tools, supports decision-making, and increases financial independence. The study suggests improving digital infrastructure, financial products, and gender-supportive policies to strengthen women entrepreneurship.

Leena S. Guruprasad, K.R.A. Balaji Amutha Ramasamy and Surabhi Kulkarni A study on G20 countries examined gender differences in financial inclusion using data from the Global Findex Database (2017–2021). The results show no significant gender gap at the overall G20 level, but some countries such as Saudi Arabia, Turkey, and Brazil still show noticeable disparities. The study suggests improving financial literacy, digital access, and gender-sensitive financial policies to enhance women's financial inclusion and economic empowerment.

3. Objectives of the Study

1. To examine the level of access to financial services among minority women entrepreneurs in Keonjhar District.
2. To analyse the extent of digital inclusion among minority women entrepreneurs in conducting their business activities.
3. To evaluate the impact of access to finance on enterprise performance of minority women entrepreneurs.
4. To assess the role of digital financial tools such as mobile banking, internet banking, and UPI in improving business operations.
5. To identify the challenges faced by minority women entrepreneurs in accessing financial and digital services.
6. To study the relationship between digital inclusion and enterprise growth in the study area.

4. Research Methodology

1. Research Design: - The present study is empirical and descriptive in nature. It aims to examine the relationship between access to finance, digital inclusion, and enterprise performance of minority women entrepreneurs in Keonjhar District. The study adopts a quantitative research approach to analyse the collected data and identify patterns and relationships among the variables.

2. Area of the Study: -The study is conducted in Keonjhar District of Odisha, which has a significant population of minority and tribal communities. The district provides an appropriate setting to understand the financial and digital challenges faced by minority women entrepreneurs in rural and semi-urban areas.

3. Sources of Data: -Both primary and secondary data are used in the study.

Primary Data - Primary data are collected directly from minority women entrepreneurs through a structured questionnaire and personal interviews. The questionnaire includes questions related to: Access to formal and informal financial services, Use of digital financial platforms (UPI, mobile banking, internet banking), Business performance indicators such as profit, sales growth, and business expansion.

Secondary Data - Secondary data are collected from various sources such as: Government reports, Research journals and published articles, Books and academic publications, Reports from organizations such as Reserve Bank of India and Ministry of Micro, Small and Medium Enterprises, Websites and statistical databases.

4. Sampling Technique

The study uses a purposive sampling technique to select respondents. Minority women entrepreneurs engaged in small and micro enterprises in Keonjhar district are selected as the target respondents.

5. Sample Size: - A total of 100 minority women entrepreneurs from different blocks of Keonjhar district are selected as the sample for the study. This sample size is considered adequate to analyse the relationship between financial access, digital inclusion, and enterprise performance.

6. Data Collection Tools: -The main tool used for collecting primary data is a structured questionnaire consisting of both close-ended and Likert scale questions. The questionnaire is designed to measure:

5. Data Analysis & Interpretation

Table 1: Access to Finance among Minority Women Entrepreneurs

Source of Finance	Number of Respondents	Percentage (%)
Bank Loan	28	28%
Microfinance Institutions	22	22%
Self-Help Groups (SHGs)	18	18%
Family/Friends	20	20%
Moneylenders	12	12%
Total	100	100%

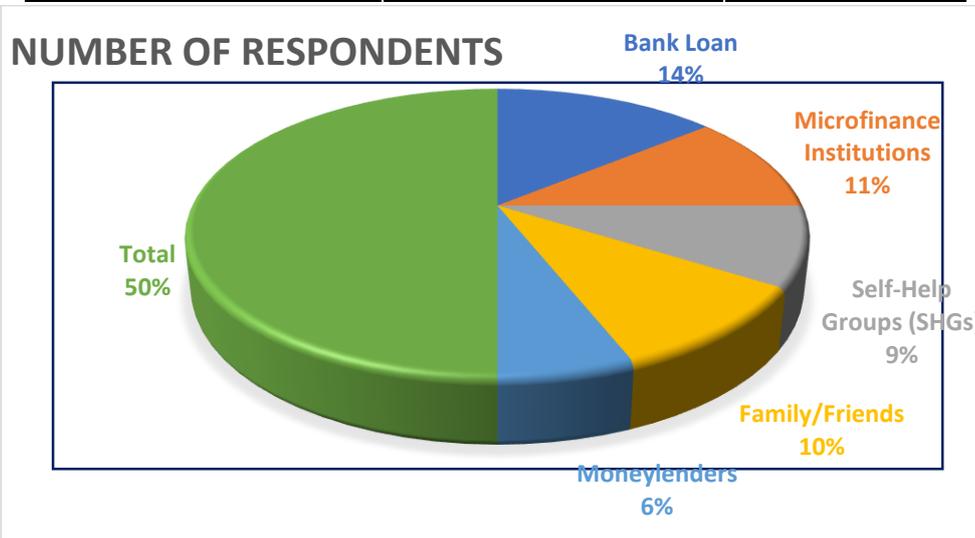


Figure 1

Interpretation

The table shows that **28%** of minority women entrepreneurs obtain financial support from bank loans, while **22%** depend on microfinance institutions. About **20%** rely on family and **friends**, and **18%** receive financial support through self-help groups. A smaller proportion (**12%**) still depends on moneylenders. This indicates that although formal financial sources are available, many women entrepreneurs still rely on informal sources of finance.

Table 2: Use of Digital Financial Services

Digital Service Used	Number of Respondents	Percentage (%)
UPI Payments	40	40%
Mobile Banking	25	25%
Internet Banking	15	15%
ATM Services	10	10%
Not Using Digital Services	10	10%
Total	100	100%

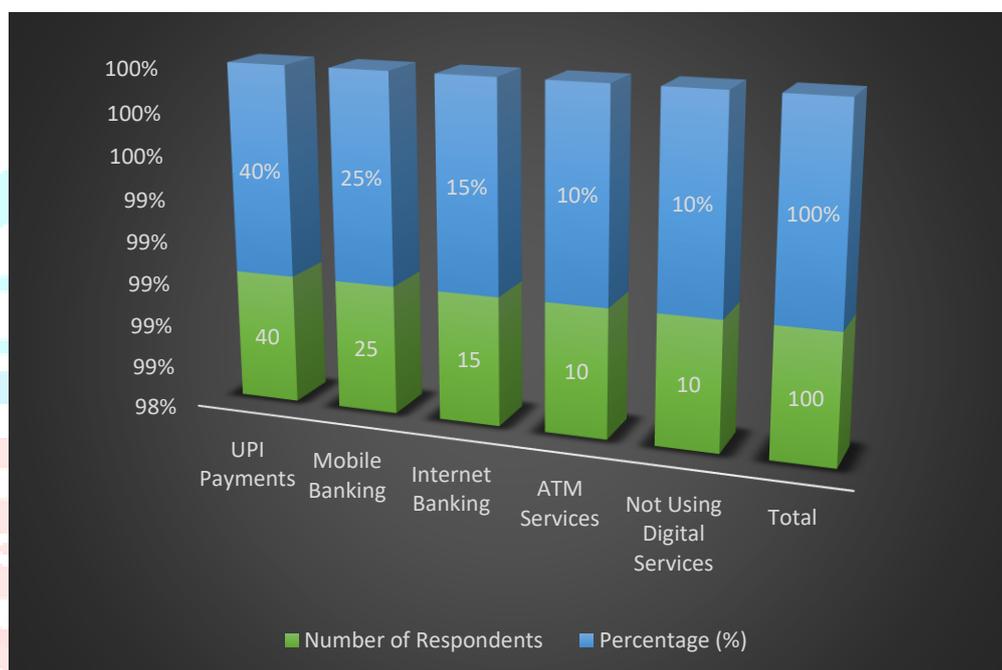


Figure 2

Interpretation

The table indicates that **40%** of respondents use UPI payments, which is the most commonly used digital financial service. **25%** use mobile banking, while **15%** use internet banking. Around **10%** rely on ATM services, and another **10%** do not use any digital financial services. This shows that digital financial inclusion is improving but still requires greater awareness and training.

6. Findings

1. Access to formal finance among minority women entrepreneurs is limited.
2. Many entrepreneurs depend on informal sources of finance.
3. Digital payment usage (UPI, mobile banking) is gradually increasing.
4. Access to finance positively affects enterprise performance.
5. Digital inclusion helps in faster and easier business transactions.
6. Lack of financial and digital literacy is a major challenge.
7. Low awareness of government schemes among women entrepreneurs.

7. Suggestions

1. Improve financial literacy programs for minority women entrepreneurs.
2. Increase awareness of government schemes for women-owned enterprises.
3. Simplify loan procedures in banks and financial institutions.
4. Provide digital training programs for using online financial services.
5. Provide easy access to microfinance and small business loans.
6. Organize entrepreneurship development programs for women.
7. Improve internet and digital infrastructure in rural areas.
8. Promote self-help groups (SHGs) to support women entrepreneurs.

8. Conclusion

The study concludes that access to finance and digital inclusion significantly influence enterprise performance among minority women entrepreneurs in Keonjhar District. While entrepreneurial potential exists, financial exclusion, digital barriers, and socio-cultural challenges limit growth. A coordinated approach involving financial institutions, government agencies, and community support is essential to create an enabling environment for sustainable and inclusive entrepreneurship development.

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