

Exploring the Preferences of Female Entrepreneurs for MUDRA Yojana: A Statistical Analysis

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Abstract

The study examines the preferences of female entrepreneurs for the MUDRA Yojana, a government scheme that supports small and micro-businesses owned by women. The analysis uses statistical tools such as Cross Tabulation and the Chi-Square Test to explore the relationship between MUDRA Yojana awareness and the status of women entrepreneurs in their businesses. The results indicate a preference for the MUDRA Yojana among female entrepreneurs, with statistical significance. Although the study has limitations such as reliance on self-reported data and a cross-sectional design, it provides valuable insights into female entrepreneurs' preferences for government schemes. To enhance understanding and implementation of such schemes, it is important to encourage knowledge exchange and stakeholder participation. The findings emphasize the significance of promoting awareness of financial inclusion through the MUDRA Yojana, which can contribute to policy formulation and women's economic empowerment initiatives. Further research could explore sector-specific preferences and the long-term impact of the MUDRA Yojana on women entrepreneurs' financial inclusion and empowerment, while addressing emerging challenges and opportunities in entrepreneurship.

Keywords: Credit, Empowerment, Government Schemes, Loan, MSME, Mudra Yojana, Women Entrepreneurs.

Introduction

In the dynamic field of entrepreneurship, the role of women entrepreneurs has garnered considerable attention, emphasizing the significance of fostering an inclusive and supportive business environment (1). Various government initiatives have been implemented to empower and uplift women entrepreneurs, aiming to enhance their participation in economic activities. One such scheme is MUDRA Yojana, designed to provide financial assistance and support to small and micro-businesses owned by women (2). The MUDRA Yojana is a financial scheme designed to support unfunded entrepreneurs and Micro, Small and Medium Enterprises. It offers loans at a reasonable rate and requires minimal documentation, making it accessible to those who are not part of the traditional banking system. The scheme aims to encourage young, educated, or skilled individuals to become new entrepreneurs or expand their existing businesses. This initiative is crucial for strengthening and supporting small businesses, which form the foundation of economic

development. The MUDRA Yojana is the latest scheme in India designed to support small and micro business units, and it is expected to positively impact the well-being of individuals involved in small-scale industries, leading to overall economic progress (3). However, the government needs to take more proactive measures to increase awareness of the scheme and ensure that it is effectively reaching its intended target, namely, the economically disadvantaged segments of society (4).

This study examines the preferences of women entrepreneurs regarding different government schemes, with a special focus on the perceived effectiveness of MUDRA Yojana. The hypothesis posits that the MUDRA Yojana is predominantly favored by women entrepreneurs, and this assertion is rigorously analyzed using statistical tools such as Cross Tabulation and the Chi-Square Test. These methods allow for a categorical analysis, providing insights into the relationship between the awareness

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of MUDRA Yojana and the diverse status of women entrepreneurs in their respective businesses. As global discourse on gender equality and economic empowerment continues to progress, understanding the preferences and awareness levels of women entrepreneurs towards government schemes becomes increasingly important (5). This study contributes to the existing literature by providing empirical evidence and statistical support for the hypothesis, shedding light on the efficacy of MUDRA Yojana in the context of women's entrepreneurship. The subsequent sections detail the methodology, findings, and implications, offering a comprehensive exploration of the relationship between female entrepreneurs and the MUDRA Yojana scheme.

Research Gap

The research at hand aims to address gaps in the current literature regarding the Pradhan Mantri MUDRA Yojana's impact on women's entrepreneurship in India. Specifically, the study seeks to understand women's preferences for the scheme, assess the scheme's performance and challenges, examine the socioeconomic consequences of women's engagement in microenterprises, and identify obstacles and restraints faced by women entrepreneurs in acquiring MUDRA Yojana loans. To achieve these objectives, the study will employ a mixed-method approach that combines quantitative and qualitative research methods to gather primary data from women entrepreneurs in India. The quantitative data will be analyzed statistically using tools such as cross-tabulation and chi-square analysis, while the qualitative data will be examined thematically. The study's findings are expected to enrich the existing literature on women's entrepreneurship and inform the development of government policies and interventions that promote women's engagement in microenterprises.

Literature Review

MUDRA Yojana and Women Entrepreneurship

The Government of India's Micro Units Development and Refinance Agency (MUDRA) Yojana is a noteworthy initiative intended to bolster the financial capacity of small and micro-enterprises.

Launched in 2015, this scheme aims to facilitate access to credit for the expansion and development of micro businesses, with a particular emphasis on those owned and operated by women entrepreneurs. A careful examination of the extant literature reveals a multifaceted comprehension of the influence of MUDRA Yojana on women's entrepreneurship (6).

A study evaluated the performance of the Mudra Yojana, and data was collected from secondary sources, such as articles, journals, and MUDRA websites. The analysis included state-wise performance, regional analysis, agency achievements, and assistance provided to disadvantaged groups. The Pradhan Mantri Mudra Yojana has been thoroughly examined, with a focus on the three tiers: 'Shishu', 'Kishor', and 'Tarun'. This analysis included a detailed look at regional performance, categorized by five geographical regions. The study presented the top 10 states, with Karnataka ranking first in loan sanctions. Additionally, the analysis covered regional Mudra scheme bank accounts and loans. It was found that 41% of the total amount sanctioned went to women borrowers, and 66% of Shishu category accounts belonged to women, who received 69% of the amount in this category. The high female participation in the Shishu category is attributed to micro-loans primarily given to women by MFIs. The target for 2020-2021 was Rs. 3.50 lakh crore, and the sanctioned amount was Rs. 3,21,759, with a growth rate of 5% (7).

Financial Inclusion and Empowerment

This study aims to address a gap in research by investigating the challenges faced by implementing agencies in advancing financial inclusion through the Pradhan Mantri MUDRA Yojana (PMMY) in Haryana, India. The study uses a structured methodology, including a semi-structured questionnaire and factor analysis, to identify and categorize obstacles across the management, infrastructure, politics, finance, and technology domains. It also examines the relationship between loan officers' demographic characteristics and identified constraints, highlighting the role of experience in promoting financial inclusion through the PMMY scheme. This study contributes to the understanding of the intricacies involved in promoting financial inclusion

in the region and provides valuable insights for policymakers, practitioners, and researchers (8).

Challenges and Criticisms

This report evaluates Pradhan Mantri Mudra Yojana (PMMY), a government initiative providing credit to micro enterprises and small businesses. It discusses the scheme's goals, focuses on funding micro-enterprises, and its impact on the MSME sector. The report assesses the scheme's performance across various categories, states, and castes and provides a SWOT analysis along with recommendations for future improvements. The report highlights the PMMY's role in promoting financial inclusion and supporting small businesses in India, including those from economically weaker sections. Data analysis provides insights into the scheme's accomplishments and obstacles, such as slow growth in certain states and varying performance across categories and castes. The report presents a SWOT analysis, identifying PMMY's strengths, weaknesses, opportunities, and threats and offers recommendations for expanding the scheme, targeting minority groups, and promoting women entrepreneurs. Despite challenges, such as low awareness, lack of focus on minority sectors, and potential conflicts of interest, the successful implementation of PMMY has the potential to drive economic growth and be a game-changing financial inclusion initiative (9).

Impact on Business Growth

This study's main objective is to determine the factors that drive the growth of Micro, Small and Medium Enterprises (MSMEs) and to examine the impact of the Pradhan Mantri Mudra Yojana (PMMY) on these businesses. The researcher collected primary data from Haryana, India, using convenience sampling techniques to select 260 PMMY customers and 400 non-customers for the analysis. The chi-squared test was used to compare the results between the two groups. The study found that taking a Mudra loan significantly increased the level of production and services, and small business growth. The study identified key factors such as an increase in net profit, net sales, business assets, and production and services as crucial contributors to small business growth. The PMMY was launched the

Indian government to provide financial support to small entrepreneurs and serve as a regulatory body for microfinance institutions. The study concludes that PMMY has a favorable influence on the growth of small businesses in the MSME sector, emphasizing the importance of financial support and access to funding for the development of small enterprises (10).

Gender-specific Challenges

This study examines the impact of Pradhan Mantri Mudra Yojana on women's socioeconomic development in India, emphasizing the role of microfinance in empowering women, and discussing the importance of poverty alleviation and capital access programs. Data were collected from 300 female respondents in the Delhi NCR region, mostly within the productive age group of 25-40 years, married, and with at least two children. The scheme has made women financially independent, enabling them to start their own businesses and elevate their social and economic status, with many experiencing transformative changes in their lifestyles, acquiring assets, and becoming financially independent entrepreneurs. The study found that Mudra Yojana played a vital role in improving the living conditions of women, although some did not witness a favorable change in their household income. Future studies should explore the impact of this scheme on rural women. Research suggests that Pradhan Mantri Mudra Yojana has exerted a significant influence on the advancement of women's socio-economic status and the subsequent improvement of their living conditions, thereby fostering financial self-reliance (11).

Need for Awareness and Education

This study emphasizes the significance of disseminating knowledge and promoting awareness about financial inclusion through Mudra Yojana. It is essential to raise awareness among small businesses and entrepreneurs to encourage them to utilize the Mudra scheme and enhance their operations. The lack of awareness may impede access to bank loans and stifle the growth of small businesses. The research reveals a substantial level of awareness regarding the Mudra scheme among respondents, highlighting the favorable influence of awareness

and education initiatives. Awareness and education about the Mudra scheme can empower young, educated, and skilled individuals to establish their own businesses or expand their existing ones. By providing information about the Mudra scheme and its benefits, awareness and education can help bridge the urban-rural divide and foster financial inclusion (12).

SBI MUDRA ATMANIRBHAR Quotient; Socio-Cultural Fabric

This study examines the Mudra Atmanirbhar Quotient (MAQ) and its implications for different social strata in India. MAQ is a measure of a social stratum's capacity to repay loans based on the cash flow from their businesses, reflecting their self-sufficiency. The analysis of MAQ shows significant increases for various social strata, indicating growing self-reliance. The Pradhan Mantri Mudra Yojana (PMMY) has played a crucial role in empowering women, minorities, Scheduled Castes, Scheduled Tribes, and Other Backward Classes by providing credit to those who were previously underserved by the financial system. PMMY has led to improved financial circumstances for female borrowers and has been an effective tool for women's empowerment. The Mudra Empowerment Multiplier (MEM) has had a notable impact on state subsidy allocation, as evidenced by increased Mudra disbursements. Overall, the PMMY has led to a significant leap forward in credit dispensation and has contributed to India's rising MSME prowess, ensuring equitable resource redistribution and promoting economic prosperity.

The extensive literature on MUDRA Yojana and women's entrepreneurship underscores the scheme's multifaceted impact, its role within the broader policy framework, and the need for targeted interventions to address women entrepreneurs' unique challenges. The evolving nature of entrepreneurship and the dynamic socioeconomic landscape necessitate ongoing research and policy adaptations to maximize the positive outcomes of MUDRA Yojana for women across diverse contexts (13).

Methodology

Study Design

The research design for this study is a cross-sectional analysis that employs quantitative research methods to explore the preferences of female entrepreneurs regarding various government schemes with a specific emphasis on MUDRA Yojana. This design facilitates the elucidation of the interconnections among key variables at a discrete temporal juncture. (14). The research examined the connection between business status and MUDRA Yojana preference using cross-tabulation and the Chi-Square test, as both variables were categorical. Furthermore, the study conducted correlation analysis to explore the relationship between MUDRA Yojana awareness and women's entrepreneurship. These tests provided strong statistical evidence to support the hypothesis that female entrepreneurs prefer the MUDRA Yojana scheme, which can inform policymakers and stakeholders about the effectiveness of the scheme in promoting women's economic empowerment.

Sampling Strategy

The research uses a cross-sectional method, which entails gathering data from a diverse group of female entrepreneurs at a single point in time.

Survey Layout

The questionnaire is designed to gather information on participants' age, education, and years of entrepreneurial experience. It also covers their business status, MUDRA Yojana awareness, preferences for government schemes, and experiences with these schemes.

Objective 1: To ascertain the preferences of female entrepreneurs regarding different programs and initiatives.

Hypothesis 1

Female entrepreneurs prefer MUDRA Yojana.

Participants

This study involved female entrepreneurs across different business structures, including owners, partners, shareholders, and members. The sample is drawn from diverse industries to ensure representation and inclusivity in the analysis. A total

of 304 participants formed the basis of the study, providing valuable insights into the awareness and preferences of female entrepreneurs regarding MUDRA Yojana.

Data Collection

Data were collected using a structured questionnaire that was distributed electronically and in person. The questionnaire included questions related to participants' business status, awareness of MUDRA Yojana, and preferences for various government schemes. The survey instrument was designed to capture categorical responses, facilitating subsequent cross-tabulation and chi-square analyses (15).

Variables

The main independent variable was the business status of women entrepreneurs (owner, partner, shareholder, and member), while the dependent variable was the preference for MUDRA Yojana. Other control variables include demographic

information, such as age, education, and years of entrepreneurial experience.

Data Analysis

The collected data were analyzed using cross-tabulation and the chi-squared test to assess the association between business status and preferences for MUDRA Yojana. The significance level was set at $P < 0.05$. Additionally, a correlation analysis was performed to explore the relationship between the awareness of MUDRA Yojana and women's entrepreneurship. IBM® SPSS® Statistical software is utilized for deriving insights from data.

Results and Discussion

It's worrisome when the government credit schemes for women entrepreneurs are consistently declined by the population, highlighting potential barriers to access or utilization. Further it was unveiled that those who have availed government scheme have experienced financial independence, improved socio- economic status and achieved confidence in doing business (Figure 1 and 2).

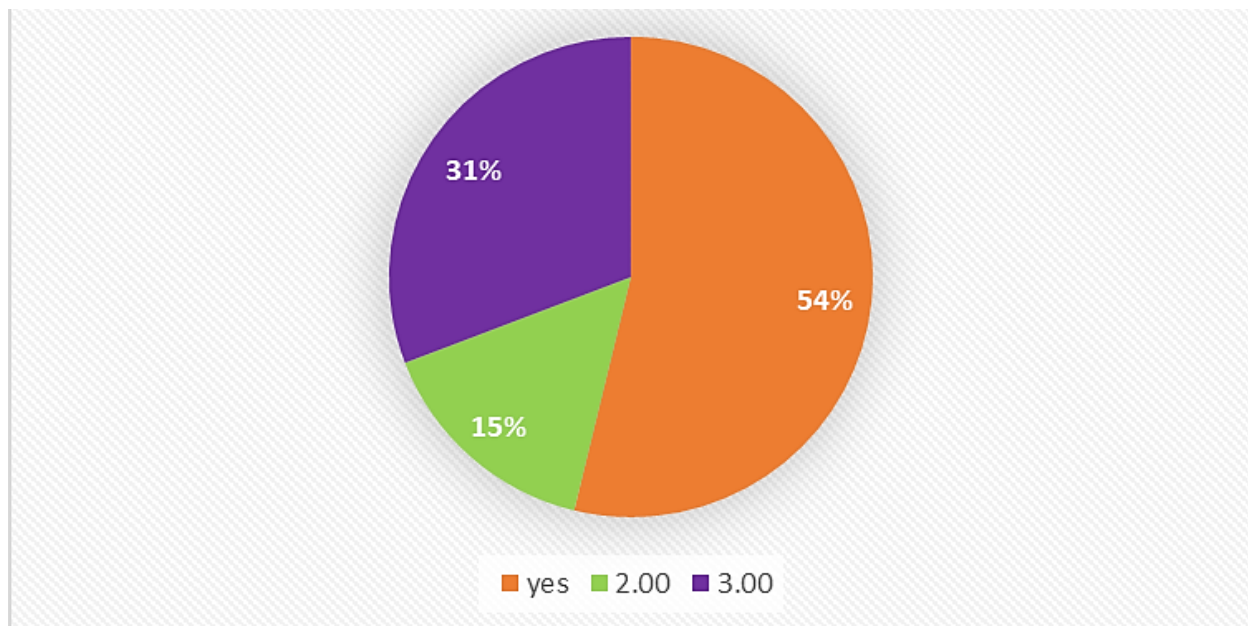


Figure 1: Awareness level of gov. Schemes

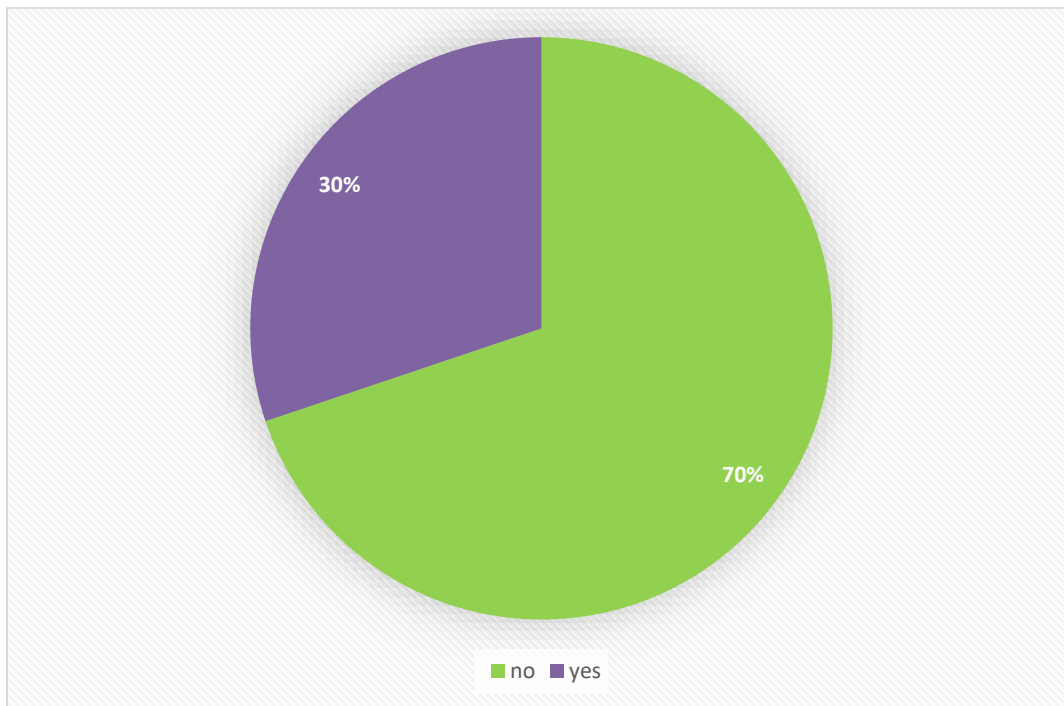


Figure 2: Loan Taken from Govt. Scheme

Table 1: Experience after availing Government Scheme

Positive impacts of achieving financial autonomy	Mean Rank
Financial Independency	3.46
It has improved the socio-economic status of you and your family	3.23
Confident in doing business	3.00
Developed Entrepreneurial Skills	2.73
Awareness about legal rights and opportunities	2.59

To validate the preference of Mudra Yojana, a cross-tabulation and chi-square test were employed, as both variables were categorical in nature.

The Cross Tabulation table indicates a disparity in awareness levels among women entrepreneurs, specifically those who are owners, partners, or

shareholders, and those who are members. The former group demonstrates a greater familiarity with the Mudra Yojna, whereas the latter group appears to be less knowledgeable on the subject (Table 1 and 2).

Table 2: Chi-Square Table

Status in the business		Mudra Yojna Scheme for Women		Total
		No	Yes	
Define your status in the business?	Owner	41	83	124
	Partnership	25	111	136
	Shareholder	3	17	20
	Member	3	21	24
Total		72	232	304

The Chi-Square below reveals that the p-value is statistically significant ($p \leq .05$; $p = .000$), which suggests that the proposed hypothesis holds merit and is worthy of further consideration.

Table 3: Chi-Square Table

	Value	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.647 ^a	.014
Likelihood Ratio	10.661	.014
Linear-by-Linear Association	8.429	.004
N of Valid Cases	304	

Table 4: Correlation Table

		Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Interval	Pearson's R	.167	.052	2.940	.004 ^c
Ordinal by Ordinal	Spearman Correlation	.184	.055	3.255	.001 ^c
N of Valid Cases		304			

Furthermore, the Correlation Table (Table 4), in addition to Table 3 demonstrates a positive correlation between the awareness of Mudra Yojna and women's entrepreneurship.

According to the findings, H1 has been approved, indicating that the MUDRA Yojana is largely favored by female entrepreneurs. Women entrepreneurs, including owners, partners, and shareholders, are more aware of Mudra Yojna. However, the members were unaware of this.

The p-value was significant ($p < 0.05$; $p = 0.000$), thus, supporting this hypothesis. This finding suggests a statistically significant relationship between the preference for MUDRA Yojana and the status of female entrepreneurs in the business. Positive relationships were found between awareness of Mudra Yojna and women's entrepreneurship. Pearson's R and Spearman's correlations indicated a positive correlation.

Importance and Uniqueness of the Study

The significance of this paper is derived from its contribution towards comprehending the preferences of female entrepreneurs towards government schemes, specifically the MUDRA Yojana. This knowledge can be utilized to develop targeted policies and initiatives that support women entrepreneurs and promote their economic empowerment. The originality of this study is highlighted by its statistical and correlation analyses, which provide evidence to validate the hypothesis of female entrepreneurs' preferences for MUDRA

Yojana. This adds to the existing body of literature on female entrepreneurship and government schemes.

Future Scope of the Study

The effect of MUDRA Yojana on the financial inclusion and empowerment of women entrepreneurs can be further investigated by analyzing their long-term sustainability and efficacy without neglecting the challenges that's comes in availing loan. Future research can examine how technology and digital platforms can enhance the implementation and accessibility of MUDRA Yojana for women entrepreneurs, given the changing landscape of entrepreneurship and the evolving socioeconomic context.

Conclusion and Limitations

It is important to acknowledge potential limitations, including reliance on self-reported data and the cross-sectional nature of the study, which may limit the generalizability of the findings. Despite these constraints, this study provides valuable insights into the preferences of female entrepreneurs regarding government schemes, particularly MUDRA Yojana.

Statistical analysis supports the hypothesis that female entrepreneurs prefer the MUDRA Yojana scheme. This study provides insights into the preferences of women entrepreneurs for government initiatives, particularly MUDRA Yojana, which can assist policymakers and stakeholders in crafting and implementing effective programs. The Mudra Empowerment Multiplier (MEM) has had a

substantial impact on state subsidy allocation, as indicated by the increase in Mudra disbursement. The Pradhan Mantri Mudra Yojana (PMMY) has contributed to India's growing prowess in the micro, small, and medium enterprise sectors, while ensuring equitable resource redistribution and fostering economic prosperity. The findings confirm that female entrepreneurs exhibit a preference for MUDRA Yojana and study underscores the importance of disseminating knowledge and promoting awareness of financial inclusion through Mudra Yojana.

In order to disseminate the findings of the study and facilitate dialogue among relevant stakeholders, consider organizing workshops and seminars. These events can provide a platform for discussing the implications of the study and identifying strategies to enhance the effectiveness of schemes like MUDRA Yojana. Additionally, utilize webinars and online platforms to reach a wider audience and accommodate participants from diverse geographical locations. Stakeholder meetings with key individuals, such as government officials, representatives from financial institutions, and women entrepreneur associations, can also be arranged to present the study findings and solicit their input. Developing policy briefs and reports summarizing the study findings in a concise and accessible format can help raise awareness and stimulate action among relevant stakeholders. Collaborative projects involving multiple stakeholders can also be initiated to address gaps identified in the study and implement recommendations, leveraging expertise and resources to develop targeted interventions that support women entrepreneurs and promote their economic empowerment.

Abbreviation

Nil

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Author Contributions

Nil

Conflict of Interest

Nil

Ethical Approval

Nil

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