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ENTREPRENEURSHIP AND ITS IMPACT ON WOMEN EMPOWERMENT: A DESCRIPTIVE STUDY ON THE PRADHAN MANTRI MUDRA YOJANA IN KARNATAKA

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Abstract:

Women's empowerment involves economic and financial independence. To achieve economic and financial self-determination, they need an individualized assistance and encouragement system in the way of infrastructure such as banks, markets, and so on. Government, civil society, self-help groups, women's associations, and non-government organizations play important roles in empowering women and encouraging them to engage in economic activities such as entrepreneurship. The present study heightened that Karnataka's overall disbursement share amount in India was about 8.56 percent during 2022-23. Also, the GM category is more significant for loans obtained in the study area. However, the relationship between male and female average monthly net income in the study area is not significant, because the female category average net income is not much. Hence, more needs to be done, such as recognizing certain enterprises for women only and promoting certain amounts of mudra loans to women entrepreneurs, the government continues to assist women entrepreneurs by providing financial support in addition to other resources like counselling, training, and skill development.

Key Words: Mudra Scheme, Mudra Loan, Net Income, Women Empowerment

Introduction:

India extended its financial path in the Financial Year 2023 to achieve a USD 5 trillion GDP. To achieve this goal, the Micro Units Development & Refinance Agency Limited

(MUDRA) and Pradhan Mantri Mudra Yojana (PMMY) ensure certain the bottom of the pyramid is not left out and that people equally contribute to the process of wealth development and country-building. In the eight years after PMMY's beginning, MUDRA loans have grown into the go-to choice for everyone involved in the unorganized and underfunded sector to start their journeys of growth and livelihood, thereby contributing to the organization's goal of development.

According to the 2013 NSSO study, there are about 5.77 crore small and micro businesses in the entire country that engage about 12 crore people, the majority of which are sole proprietorships or own account businesses. Individuals belonging to Scheduled Castes, Scheduled Tribes, or Other Backward Classes own more than 60% of the units. Since the majority of these organizations are not part of the official banking system, they are compelled to use their meager available funds or borrow from unofficial sources. To close this gap, the MUDRA Loan Scheme has been suggested. The goal of the MUDRA Loan Scheme is to boost the confidence of young people who want to start their businesses for the first time as well as those who currently operate small businesses so they can continue to expand.

As established by MUDRA Ltd., banks, NBFCs, MFIs, and other authorized financial intermediaries provide MUDRA loans. The Hon'ble Prime Minister introduced the Pradhan Mantri MUDRA Yojana (PMMY) on April 8, 2015, to give MUDRA loans of up to ~10 lakh to microbusinesses that generate revenue in the manufacturing, commerce, and service sectors. Under Prime Minister MUDRA Yojana (PMMY), the 5,000 overdraft that was approved under PMJDY is also categorized as a MUDRA loan.

The Mudra loan is segmented into three parts, and they are Shishu, Kishore, and Tarun. Up to 50,000 rupees is sanctioned under the Shishu category; 50,000 to 5, 00,000 rupees is sanctioned under the Kishore category; and 5, 00,000 to 10, 00,000 rupees is sanctioned under the Tarun category. The major beneficiaries of this scheme are OBC/SC/ST and women entrepreneurs.

Women's participation is more significant among the initiative's beneficiaries nearly 50% and under the the Shishu category, over 60% of accounts were opened and loans were approved for women, indicating that women are establishing their businesses and participating in mainstream economic activities with men. The government is considering a 2% interest

reimbursement plan for Shishu scheme beneficiaries to help micro-business owners withstand the storm of hardship during the COVID-19 pandemic and lockdown.

According to the Department of Financial Services, Nearly 3.48 lakh borrowers obtained Rs 1.33 lakh crore in 2015–16 from the initiative, and as of March 26, 2021, member institutions were authorized loans worth Rs 15.10 lakh crore to 28.81 crore beneficiaries. The beneficiaries have access to a Mudra card as well as an overdraft option to cover their working cash needs. Major participants in this program are member lending institutions, which include small financing banks, non-banking institutions, and banking institutions. They provide loans in full to qualified beneficiaries. Beauty parlors, barbers, potters, fitness centers, street sellers, petty shops, clothing stores, tailors, weavers, clothing stores, etc. are the main beneficiaries of these kinds of initiatives.

Review of Literature:

A literature review is an overview of the previously published works on a topic. The term can refer to a full scholarly paper or a section of a scholarly work such as a book or an article.

Poornima (2022): revealed that the MSME being a fast-growing sector of the country faces many problems in areas of finance, infrastructure, technology, marketing, and policy matters. The study aims to bring out the performance of Pradhan Mantri Mudra Yojana. The study is based on secondary data collected from articles, journals, and reports from the websites of MSME, and MUDRA. The author concluded that the MUDRA scheme brings a new ray of hope for both existing and aspiring micro-enterprises and women entrepreneurs.

Manjeet et al., (2022): analyzed the impact of PMMY in fostering businesses in the MSMEs sector. The study aimed to identify the factors that help in business growth. The researcher used both primary data for analysis. The researcher has collected 660 MSMEs. The researcher has used the chi-square test to interpret the results. The author concluded that the Mudra scheme will add to the well-being of the individuals engaged in small-scale industries which will positively shape the economy's progress as a whole. Mudra as a financial tool is found to be very effective in its early stages across the country.

Geeta et al. (2023): investigated women receiving Pradhan Mantri Mudra Yojana benefits in rural Telangana on their knowledge and evaluation of the program. This study aimed to determine the advantages received by recipients who are rural women in the Telangana region.

This study used a descriptive strategy. Secondary data was gathered from research articles authored by both domestic and foreign writers. The author concluded that to increase the financial inclusion of the rural poor, the Telangana Department of Rural Development needs to raise knowledge of the Mudra plan.

Ashwini et. al. (2023): evaluated the schemes or policies of the government of India with the help of the 6 A’s Availability, Accessibility, Affordability, Awareness, Adequacy, and Approach) in giving a lift up to women entrepreneurs. The author concluded that entrepreneurs should stop looking at government schemes as not accessible/unapproachable. They have to start considering that these benefits are given by the government for the advantage of the entrepreneurs.

Kumari (2024): examined to finance the unfunded while encouraging an entrepreneurial culture in the nation. People who enjoy being entrepreneurs and have the potential to benefit from the market are eligible for loans without the need for collateral under this scheme. Many women who were unable to take the initiative, because they lacked collateral, have benefited from this scheme, by being able to pursue a business career. With the PMMY initiative, women were able to start businesses without the need for collateral and obtain loans, which improved their potential and entrepreneurship abilities. A business needs to be proficient in a variety of talents to succeed, including social skills, business management, and decision-making abilities.

Research Gap:

While there has been considerable focus on the overall impact of the Pradhan Mantri MUDRA Yojana (PMMY) on entrepreneurship in India, there is a lack of specific research addressing the unique challenges and outcomes for women entrepreneurs in Karnataka. Existing studies often generalize the impact of PMMY across different states and demographics, without a detailed examination of how the scheme influences women-led enterprises in Karnataka specifically. The research highlights the need for a comprehensive analysis of the scheme's effectiveness in promoting women's entrepreneurship in the state of Karnataka.

Objectives:

1. To study the current status of the Mudra Yojana scheme in Karnataka.
2. To study the Mudra loan disbursement amount details in the study area.
3. To estimate the contribution of mudra scheme entrepreneurs towards income generation in the study area.

Hypothesis:

H0: There is no significant difference between the income of the male and female beneficiaries.

H1: There is a significant difference between the income of the male and female beneficiaries.

Research Methodology:

In the present study both the secondary and primary data have been used. Secondary data was collected from the Mudra website, periodicals, newspapers, and other sources and primary data was collected from the 125 sample beneficiaries in the study area.

Data Analysis:

Table 1 illustrates clearly how effectively Karnataka's Mudra Scheme disbursement amount was performed during 2022 and 2023. There are about 4,29,8481 accounts in the Karnataka state under the Mudra scheme, with a total disbursement amount of 28374.92 crores. Furthermore, the state's part of the overall disbursement amount in India is 8.56 percent. Nonetheless, according to the district analysis of the report for the identical period, Bangalore Urban has the best performance regarding Karnataka's share of the Mudra Scheme disbursement amount, which stands at 1.17 percent for all of India. With 628960 accounts and disbursement in the amount of Rs. 3581.45 crore, Bellary district has the best Mudra account performance, with a 0.80% share at the national level. In addition, the Mudra account performance in the Mysore district increased in 408084, with a distribution value of Rs. 2711.86 crore, and the overall India share was approximately 0.60 percent during 2022–2023.

Table 1: The Performance of Disbursement Amount for the Mudra Scheme in Karnataka-2022-23

Sl. No.	District Name	No. of A/Cs	Disbursement Amt. (Rs.crore)	Share in the Total amount disbursed India Level (%)
1.	Bangalore Urban	433082	5287.90	**1.17**
2.	Bellary	628960	3581.45	**0.80**
3.	Mysore	408084	2711.86	**0.60**
4.	**Karnataka**	**4298481**	**28374.92**	**8.56**

Source: Annual Report, Ministry of Finance, Govt. of India

Table 2: Gender-Wise Sample Respondents Selected in the Study Area

Sl. No.	Gender	No. of Samples	Percentage	Cumulative %
1.	Male	31	24.80	24.80
2.	Female	94	75.20	100.00
	Total	**125**	**100.00**	

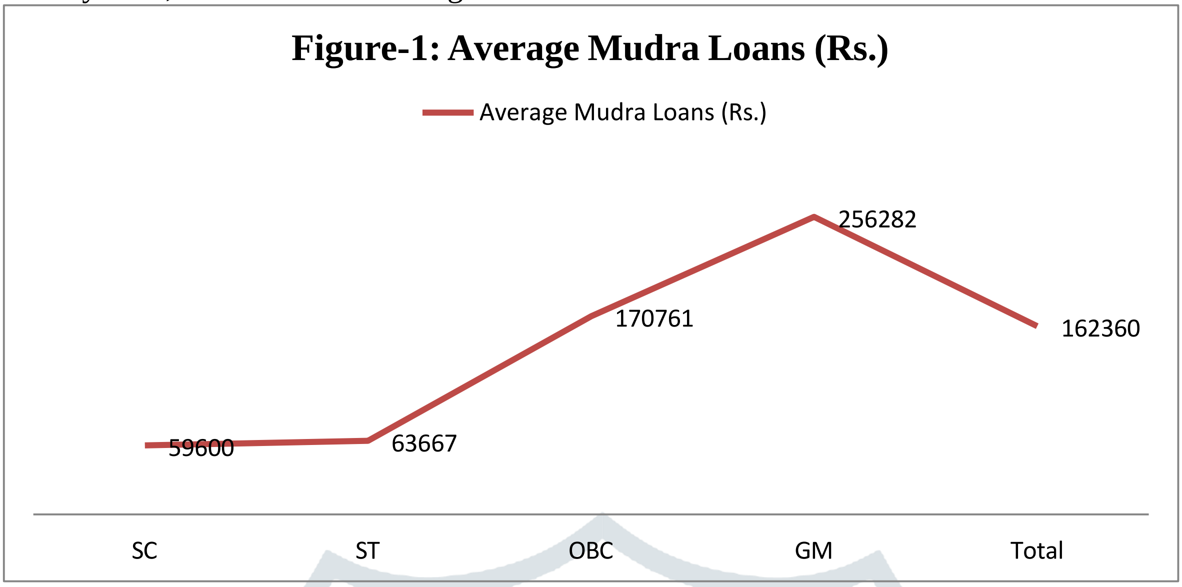
Source: Primary Data

Table -2 revealed the gender-wise sample respondents in the study area. Out of 125 samples, 31 respondents belonged to the male category, remaining 94 respondents female category selected in the study area. However, the female respondents are more significant the percentage of beneficiaries is 75.20 percent.

Table 3: Average Mudra Loan Amount Across Various Categories in the Study Area

Sl. No.	Caste	No. of Samples	Average Mudra Loans (Rs.)	Percentage
1.	SC	25	59600	**10.83**
2.	ST	15	63667	**11.57**
3.	OBC	46	170761	**31.03**
4.	GM	39	256282	**46.57**
	Total	**125**	**162360***	**100.00**

Source: Primary Data, Note* = Total Average Amount



The average Mudra Loan Amount for all of the categories in the study area is presented in Table 3. Out of 125 samples, 25 beneficiaries in the SC category got an average loan amount of Rs. 59600, along with about 10.83 percent; 15 beneficiaries in the ST category received an average loan amount of Rs. 63667, along with about 11.57 percent; and 46 beneficiaries in the OBC category got an average loan amount of Rs. 170761, along with about 31.03 percent. The 39 GM category, on the other hand, is greater in significance for loans obtained in the study area; they obtained a loan amount of Rs. 256282/- with 46.57 percent. Furthermore, out of the 125 samples that were obtained, the average mudra loan amount was Rs. 162360.

Table 4: The Result of Gender Wise Mean Value of Net Income in the Study Area

Group Statistics					
	Gender	**N**	**Mean**	**Std. Deviation**	**Std. Error Mean**
Monthly Income	Male	31	23467.7419	11076.20233	1989.34466
	Female	94	23797.8723	11443.01429	1180.25681

The average monthly net income of the male and female categories in the study area is presented in Table 4. The table observed that the Male performance of net income mean value is 23467.74 with a standard deviation is 11076.20233 and the Female mean value of net income is 23797.87 with standard deviation is 11443.01429 respectively. However, the difference in net income mean value is Rs.330.13040 is not much compared to a male category, so the net income is not significant compared to male and female categories.

Table 5: Result of the Independent Samples t-Test for the Gender Net Income details in the Study Area

Levene's Test for Equality of Variances		t-test for Equality of Means						
F	**Sig.**	**t**	**Df**	**Sig. (2-tailed)**	**Mean Difference**	**Std. Error Difference**	**95% Confidence Interval of the Difference**	
							Lower	**Upper**

.327	.569	-.140	123	.889	-330.13040	2351.70925	-4985.19467	4324.93386
		-.143	52.729	.887	-330.13040	2313.11442	-4970.20699	4309.94618

Table 5 revealed the result of the Independent samples t-test for the gender monthly net income compared to male and female categories in the study area. The table observed that the absolute value and estimated probability value are more. Hence, there is no positive significant relationship between male and female average monthly net income in the study area, because the female category average net income is not much. Therefore, the average net income has no greater influence in the male and female categories in the study area. Hence, it can be concluded that the proposed null hypothesis (H0) is not rejected.

Key Findings:

- The share of the mudra scheme loan in Karnataka stands at 8.56 percent at the Indian level.
- In the Districts performance of accounts holders, the Bellary district is more significant compared to other districts of Karnataka. It is a total no. of A/Cs about 628960.
- Bangalore Urban has the best performance regarding Karnataka's share of the Mudra Scheme disbursement amount, which stands at 1.17 percent for all of India.
- The female respondents are more significant the percentage of beneficiaries is 75.20 percent.
- The GM Category is more dominant compared to other categories; it is obtained of mudra scheme loan amount of Rs. 256282/- about 46.57 percent.
- The difference in net income mean value is Rs.330.13040 is not much compared to the male category, so the net income is not significant compared to the male and female categories.

Conclusion:

Women's participation is one of the greatest important pillars for the economic growth of the country. Women would blossom like flowers to deliver their fragrance to others if they were given the proper opportunity and resources. Her employment enables the business to compete in the market by bringing in new skills and knowledge. Although more needs to be done, such as recognizing certain enterprises for women only and promoting certain amounts of mudra loans to women entrepreneurs, the government continues to assist women entrepreneurs by providing financial support in addition to other resources like counselling, training, and skill development.

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