

SOCIO-ECONOMIC SUSTAINABILITY THROUGH WOMEN ENTREPRENEURSHIP: CHALLENGES AND PROSPECTS OF THE PMMY SCHEME.

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Abstract

The Pradhan Mantri Mudra Yojana (PMMY) serves as a cornerstone for promoting socio-economic sustainability through women entrepreneurship. This paper investigates the role of PMMY in fostering economic empowerment and social stability among women entrepreneurs. Using a mixed-method approach with primary data collected from 200 women entrepreneurs in Tamil Nadu and secondary data from official reports, the study highlights the achievements, challenges, and future prospects of the scheme. Policy recommendations are provided to enhance its effectiveness and contribution to socio-economic development.

Keywords: Socio-Economic Sustainability, Women Empowerment, PMMY Challenges, Micro-Entrepreneurship, Economic Growth

Introduction

Socio-economic sustainability is essential for holistic development, and women entrepreneurs are integral to achieving this goal. Women's participation in entrepreneurship not only bridges the gender gap but also drives innovation, creates jobs, and contributes significantly to economic progress. However, socio-economic constraints and financial barriers have traditionally limited women's access to entrepreneurial opportunities. Recognizing these challenges, the PMMY scheme, launched in 2015, provides collateral-free loans to micro and small enterprises, offering a lifeline to women entrepreneurs. By addressing financial barriers, the scheme has facilitated the participation of women in entrepreneurial ventures, contributing to economic growth and social equity. This paper examines the challenges and future prospects of PMMY, with a focus on its role in achieving socio-economic sustainability.

Methodology

A mixed-method approach was adopted for this study to provide comprehensive insights into the impact of PMMY. Primary data was gathered through structured surveys and interviews with 200 women entrepreneurs in Tamil Nadu who availed of PMMY loans. Stratified random sampling ensured representation from diverse sectors, including agriculture, retail, manufacturing, and services, as well as geographical locations encompassing rural and urban areas. Secondary data was sourced from PMMY annual reports, government publications, and scholarly articles. Data analysis involved descriptive statistics, chi-square tests, and thematic analysis to identify trends, evaluate challenges, and suggest actionable recommendations.

Findings and Discussion

Economic Impact

PMMY loans have enabled women entrepreneurs to expand their businesses, resulting in increased revenue and job creation. This has had a cascading effect on local economies by stimulating demand for goods and services. The economic impact of PMMY is summarized below:

Indicator	Percentage (%)
Increased Business Revenue	74
Job Creation	62
Enhanced Household Income	81

Among the respondents, 74% reported higher business revenue, while 81% noted improved household income. The scheme's focus on providing affordable and timely credit has particularly benefited women in sectors such as retail and small-scale manufacturing. Additionally, 62% of respondents highlighted job creation as an outcome of their entrepreneurial ventures, contributing to community-level economic stability. These findings underscore the scheme's role in economic empowerment and poverty alleviation.

Social Impact

Beyond financial gains, PMMY has contributed to enhanced social status and participation among women entrepreneurs. The findings on social impact are detailed below:

Indicator	Percentage (%)
Improved Decision-Making Power	67
Increased Social Participation	58
Better Access to Education/Health	72

A significant number of respondents reported improved decision-making power within their households and communities. Women entrepreneurs expressed greater confidence in managing finances and contributing to family decisions, which has further elevated their status within their social circles. Additionally, 72% of respondents highlighted better access to education and healthcare for their families, attributed to increased income and financial independence.

PMMY's contribution to social sustainability extends to community welfare. Many entrepreneurs have reinvested their earnings in local initiatives, such as funding educational programs and healthcare drives, thereby creating a ripple effect of empowerment.

Challenges

Despite its benefits, PMMY faces several challenges that limit its full potential. These challenges are summarized below:

Challenge	Percentage (%)
Lack of Awareness	49
Loan Application Complexities	45
Market Volatility and Repayment Issues	38

1. **Lack of Awareness:** Nearly half (49%) of the respondents indicated limited awareness about PMMY, particularly in rural areas. Women entrepreneurs in these regions often rely on informal networks for information, which restricts access to accurate details about the scheme's benefits and application process.
2. **Loan Application Complexities:** Bureaucratic hurdles during the application process were identified by 45% of respondents as a significant deterrent. Documentation requirements, lengthy processing times, and inconsistent guidance from financial institutions have discouraged many potential beneficiaries.
3. **Market Volatility and Repayment Issues:** Entrepreneurs operating in sectors prone to market fluctuations, such as agriculture, reported difficulties in loan repayment. Market

volatility has exacerbated financial strain, with 38% of respondents expressing concerns about sustaining their businesses during economic downturns.

Future Prospects

The future prospects of PMMY lie in addressing its challenges and leveraging its successes. Targeted interventions can significantly enhance the scheme's impact, as outlined below:

1. **Financial Literacy Programs:** Enhancing financial literacy among women entrepreneurs will enable them to better understand loan terms, manage finances, and develop sustainable business models. Workshops and training sessions conducted in local languages can improve outreach and effectiveness.
2. **Digital Inclusion Initiatives:** Bridging the digital divide is crucial for expanding the reach of PMMY. Introducing user-friendly digital platforms for loan applications and financial transactions can simplify processes and reduce reliance on intermediaries.
3. **Sector-Specific Support:** Providing tailored support to women entrepreneurs in high-growth sectors, such as technology, healthcare, and e-commerce, will help diversify and strengthen their businesses. Sector-specific mentorship programs and market linkages can further enhance their competitiveness.
4. **Public-Private Partnerships (PPPs):** Collaborating with private sector entities can bring additional resources and expertise to PMMY. PPPs can facilitate mentorship, funding, and capacity-building initiatives, creating a more robust ecosystem for women entrepreneurs.

Conclusion

The Pradhan Mantri Mudra Yojana has made significant strides in promoting socio-economic sustainability through women entrepreneurship. By addressing existing challenges and leveraging its successes, the scheme can play a pivotal role in achieving inclusive development and economic resilience. Strategic policy enhancements, such as improving financial literacy, promoting digital inclusion, and fostering public-private partnerships, will ensure PMMY's alignment with India's Vision Viksit Bharat@2047. As women entrepreneurs continue to break barriers and contribute to socio-economic progress, PMMY stands as a testament to the transformative power of inclusive financial initiatives.

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