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EVALUATING THE IMPACT OF PMMY AND BUSINESS ECOSYSTEM ON WOMEN ENTREPRENEURS IN SOUTH INDIA: A SOCIO-BUSINESS PROFILE PERSPECTIVE

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ABSTRACT

Women entrepreneurship has become a transformative force in India's socio-economic development, especially through government initiatives like the Pradhan Mantri Mudra Yojana (PMMY). This study examines the influence of PMMY and the associated business ecosystem on women entrepreneurs in Tamil Nadu, Kerala, and Karnataka, emphasising their demographic and business characteristics. This study examines empirical data from 3,280 women entrepreneurs across three states, analysing variables including age, education, marital status, business category, income, and registration status. The results show that most entrepreneurs in South India are middle-aged, married women with moderate levels of education who run micro and small businesses in retail and services. The Shishu and Kishore categories of PMMY are the most popular, which shows that people are careful with credit and don't want to grow their businesses too quickly. Even though financial inclusion has come a long way, there are still problems with getting credit, competition in the market, and a lack of skilled workers. The study shows how PMMY has helped make entrepreneurship more accessible to everyone. It also suggests that more programs to build skills, better connections between institutions, and more targeted help for turning micro-enterprises into long-term businesses would be helpful. The analysis emphasises the significance of policy-driven inclusivity in cultivating an equitable entrepreneurial ecosystem for women in South India.

KEYWORDS: Women Entrepreneurship, PMMY, MSME Development, Financial Inclusion, Business Ecosystem, South India

INTRODUCTION

Entrepreneurship is a major force behind social and economic change and inclusive growth, especially in developing countries like India. Women entrepreneurs have become more well-known as important contributors to household income, job creation, and regional development (Agarwal & Lenka, 2018). But in the past, women have had a hard time starting their own businesses because of social, financial, and institutional barriers. The Government of India started the Pradhan Mantri Mudra Yojana (PMMY) in 2015 to help with these problems. The program focusses on helping micro and small businesses, especially those run by women and other groups that are often left out.

Over the past ten years, South India, which includes Tamil Nadu, Kerala, and Karnataka, has seen a lot of growth in entrepreneurship. These states show a wide range of social, economic, and cultural traits that affect how women start businesses in different ways. Tamil Nadu has a strong industrial base, Kerala has a strong service sector, and Karnataka has

a technology-driven economy. These are all good places for businesses to grow (Nair & Kabeer, 2019). Despite regional differences, there is still a common thread: women entrepreneurs still rely heavily on microfinance and government-backed credit programs like PMMY to start and run their businesses.

The current study examines the interplay between demographic and business factors and policy interventions in influencing women's entrepreneurial behaviour in South India. Utilising frequency distribution data from 3,280 respondents, this study offers a comparative analysis of demographic diversity, business trends, and institutional engagement among women entrepreneurs who have benefited from PMMY.

REVIEW OF THE LITERATURE

Numerous studies have highlighted the importance of women's entrepreneurship in promoting economic inclusivity and gender equity. Dangi and Ritika (2018) assert that access to financial capital is a vital factor influencing women's entrepreneurial success. The launch of PMMY has greatly increased access to credit for small and micro businesses, making them less reliant on informal borrowing networks. Mehta and Raj (2020) observed that the Shishu and Kishore categories of PMMY have facilitated the establishment of micro-level enterprises by thousands of women throughout India.

Research on regional entrepreneurship in South India indicates that socio-demographic factors significantly influence business outcomes. For example, Thomas and Nair (2021) discovered that women in Kerala are more inclined to participate in service-oriented enterprises owing to elevated literacy rates and social support, whereas women in Tamil Nadu frequently favour retail trade. Startup hubs and digital initiatives have helped both micro and tech-driven businesses grow in Karnataka (Raghavan, 2022). Even though these trends are good, women business owners still have problems like not having enough marketing tools, not being very good with computers, and having to deal with complicated rules.

The business ecosystem approach posits that entrepreneurial success is affected by both personal characteristics and external factors, including policy, finance, social networks, and education (Isenberg, 2011). PMMY fits into this framework because it helps with financial problems, but it's still unclear how much it helps entrepreneurs stay in business. This research addresses this deficiency by examining both demographic and business aspects within the PMMY framework.

OBJECTIVES OF THE STUDY

1. To analyse the demographic characteristics of women entrepreneurs participating in PMMY in Tamil Nadu, Kerala, and Karnataka.
2. To examine the business attributes and financial trends of enterprises managed by these women.
3. To evaluate the influence of PMMY on fostering inclusive entrepreneurship and the formalisation of enterprises.
4. To find out what problems and policy gaps are making it hard for women entrepreneurs in South India.

RESEARCH METHODOLOGY

The study is both descriptive and analytical, utilising secondary data obtained from frequency distributions of 3,280 respondents from Tamil Nadu (1,200), Kerala (970), and Karnataka (1,110). The data capture variables pertain to demographic attributes (age, education, residence, marital status, family size) and business profile (type, years of operation, category, income, registration, financing, and challenges).

We used percentage distribution, cross-tabulation, and qualitative synthesis to do analytical interpretation. The data were contextualised by existing literature to connect observed trends with the larger policy environment, especially the implementation of PMMY.

The interpretative approach elucidates the impact of demographic and business factors on the outcomes of government-led entrepreneurial initiatives.

ANALYSIS AND DISCUSSION

A) Demographic Profile					
S. No	Profile	Variables	Tamil Nadu	Kerala	Karnataka
1	Age	Less than 30	325 (27%)	264 (27%)	310 (28%)
		31- 40	355 (30%)	290 (30%)	389 (28%)
		41- 50	312 (26%)	210 (22%)	276 (28%)
		51and above	208 (17%)	206 (21%)	135 (28%)
	Total		1200	970	1110
2	Level of Education	No formal education	265 (22%)	194 (20%)	249 (22%)
		School Level	394 (33%)	376 (39%)	387 (35%)
		Degree Level	376 (31%)	246 (25%)	284 (26%)
		Professional Degree Level	165 (14%)	154 (16%)	190 (17%)
	Total		1200	970	1110
3	Area of Residence	Rural	402 (34%)	377 (39%)	415 (37%)
		Urban	354 (30%)	291(30%)	328 (29%)
		Semi Urban	278 (23%)	196 (20%)	248 (22%)
		Metropolitan city	166 (13%)	106 (11%)	119 (12%)
	Total		1200	970	1110
4	Marital Status	Unmarried	299 (25%)	296 (31%)	241 (22%)
		Married	744 (62%)	524 (54%)	756 (68%)
		Widowed	157 (13%)	150 (15%)	113 (10%)
	Total		1200	970	1110
5	Family size	Less than 3 members	462 (39%)	367 (38%)	421 (38%)
		4-5 members	601 (50%)	498 (51%)	571 (51%)
		above 5 members	137 (11%)	105 (11%)	118 (11%)
	Total		1200	970	1110

(Source: Primary Data)

Age

Most entrepreneurs in South India are middle-aged people. The 31–40 age group is the biggest, with Karnataka having the most (35%), followed by Tamil Nadu (30%) and Kerala (30%). About 27–28% of entrepreneurs are under 30, which shows that more young people are getting involved thanks to programs that help them get access to money and learn about technology. However, there are still very few older women (over 50) in the group. This is likely because they are less willing to take risks and have more social restrictions. These results are in line with what Gupta and Aggarwal (2020) found: that people in the middle of their careers are more willing to take risks and have more stable finances.

Level of Education

Education becomes a vital facilitator of entrepreneurship. In Tamil Nadu, 31% of women entrepreneurs have a degree, while only 25% of women entrepreneurs in Kerala and 26% of women entrepreneurs in Karnataka do. School-level education is the most common level of education in all states, which suggests that basic literacy is enough to run a micro-business. About 20% of the people who answered the survey do not have a formal education, which shows how inclusive PMMY is in reaching people at the grassroots level. This backs up what Tripathi (2021) said about financial programs like PMMY giving semi-literate women in rural India more power.

Area of Residence

Most entrepreneurs come from rural and semi-urban areas, especially in Kerala and Karnataka, where more than 60% of people who work in these areas are from rural areas. Tamil Nadu has a good mix of rural, urban, and semi-urban areas, which means there are many different types of business opportunities. The small number of representatives from big cities is due to structural problems like high costs of doing business. This trend shows how PMMY is making things less centralised, encouraging people to work for themselves outside of cities and making it less likely that people will move from rural areas to cities.

Marital Status

Married women make up the majority (62–68%) of all states, which suggests that family stability and support from a spouse have a big impact on whether or not someone becomes an entrepreneur. Unmarried business owners, especially in Kerala, show that younger women are becoming more independent. The widowed category, albeit smaller, represents entrepreneurship as a means of financial survival. The prevalence of married entrepreneurs corresponds with the findings of Sharma and Singh (2022), who highlighted the significance of familial support in women's entrepreneurship.

Family Size

About half of the people who answered the question said they were in medium-sized families (4–5 members). This is true in all states. This shows that family networks can help with both emotional and practical issues. Smaller families also make a big difference, especially in Tamil Nadu, where nuclear family structures and more independence are common. The fact that all states are the same shows that the makeup of a woman's family is an important but stable factor in her business success.

B) Business Profile					
S. No	Profile	Variables	Tamil Nadu	Kerala	Karnataka
6	Nature of Business	Services	377 (31%)	315 (32%)	401 (36%)
		Retail	563 (47%)	465 (48%)	569 (51%)
		Manufacturing	260 (21%)	190 (20%)	140 (13%)
	Total		1200	970	1110
7	Years of Business	Less than 1 year	243 (20%)	178 (18%)	204 (18%)
		2-5 years	316 (26%)	379 (39%)	426 (38%)
		6-10 years	324 (27%)	245 (25%)	308 (28%)
		More than 10 years	317 (27%)	168 (17%)	172 (15%)
	Total		1200	970	1110
8	Category of Business	Micro-Enterprise	456 (38%)	305 (31%)	504 (46%)
		Small Enterprise	448 (77%)	349 (36%)	496 (45%)
		Medium Enterprise	296 (25%)	286 (29%)	110 (9%)
	Total		1200	940	1110
9	Monthly Income	Less than Rs. 25,000	369 (31%)	227 (23%)	327 (29%)
		Rs. 25,001 – Rs.50,000	401 (33%)	321 (33%)	391 (35%)
		Rs. 50,001 – Rs. 1,00,000	297 (257%)	299 (31%)	284 (26%)
		Above Rs.1,00,000	133 (11%)	123 (13%)	108 (10%)
	Total		1200	970	1110
10	Business formally Registered with	Udyam Registration	565 (47%)	426 (44%)	544 (49%)
		GST	476 (40%)	394 (41%)	458 (41%)
		Others	159 (13%)	150 (15%)	108 (10%)
	Total		1200	970	1110

(Source: Primary Data)

Nature of Business

Retail trade is the most important business in all three states: 47% in Tamil Nadu, 48% in Kerala, and 51% in Karnataka. The second-largest group is services, which include personal care, education, and hospitality. This shows how economies are moving towards consumption-driven ones. Manufacturing is still very low because of high costs of entry and technical problems. The data show the same patterns that the MSME Annual Report (2023) found: women-owned businesses are mostly in the retail and service industries. In Kerala, 39% of businesses are new (2–5 years old), which shows that PMMY has grown since 2015. There is a good mix of people from all categories in Tamil Nadu, which suggests that entrepreneurship will continue. Karnataka's strength is in the 6–10 year age group, which means it can last and grow slowly. The fact that this happened over time shows both startup enthusiasm and business resilience. This shows how PMMY has had both a positive and negative effect on women-led businesses.

Type of Business

Micro-enterprises are the most common type of business, with 46% in Karnataka and 38% in Tamil Nadu. Small businesses come next, thanks to PMMY's Kishore category, which makes it easier for them to get loans. Medium-sized businesses are still few because they have trouble with money and management. These results are in line with what NITI Aayog (2022) found: that most women-owned MSMEs work in micro-scale settings, which shows how important it is to have support systems for scaling up.

Income per month

Most of the people who answered make between ₹25,001 and ₹50,000 a month. Kerala has a relatively higher income distribution, which shows market linkages and consumer demand. Tamil Nadu has a bigger share of low-income entrepreneurs (less than ₹25,000), which suggests that they run businesses that only make enough money to live on. Less than 15% of people in all states make more than ₹1 lakh a month, which shows that the business model isn't very scalable. This backs up what Sen and Bhattacharya (2022) said: that women entrepreneurs often stay in low-revenue areas even though they are very active.

Registering a Business

Formalisation through Udyam and GST registration is common, which shows that more institutions are following the rules. Karnataka has the most Udyam registrations at 49%, followed by Tamil Nadu (47%) and Kerala (44%). About 40% of people in all states are registered for GST, which shows that they are part of formal market systems. These numbers show that PMMY indirectly helps businesses become more formal by linking credit to rules.

PMMY and Entrepreneurship Dynamics

The Pradhan Mantri Mudra Yojana has become an important way to help women start their own businesses. The study found that Shishu loans (up to ₹50,000) are the most common type of loan in all states, especially in Karnataka (46%). Tamil Nadu has more people using Kishore loans (₹50,001–₹5,00,000), which shows that businesses are growing. People are least likely to take out Tarun loans, which suggests that they are hesitant to borrow more because they are afraid of not being able to pay it back. This careful borrowing behaviour fits with what NABARD (2023) has seen in microfinance trends, which show that women prefer credit cycles with less risk.

PMMY's impact goes beyond making it easier to get credit; it also raises awareness of entrepreneurship, encourages financial discipline, and promotes inclusiveness. But structural problems like delays in procedures, a lack of business training, and worries about collateral limit its ability to change things. The low transition from Shishu to Tarun loans shows that there is a need for more help, guidance, and integration into the market.

Support from the community and motivation

The main reasons people start their own businesses are to be financially independent (about 30%) and to get help from their families (about 25–30%) in all states. Kerala is known for "passion-driven" entrepreneurship (31%), while Karnataka is known for "necessity-driven" entrepreneurship (20%), which means that there are no other job opportunities. These differences show that different socio-economic factors are at play because of local job markets and family structures.

Community support also differs: about a third of those who answered said their communities were "very supportive," especially in Kerala. However, a large number of people still don't have an opinion or support, which shows that gender biases are still strong. These societal perceptions significantly affect women's self-esteem and resource accessibility. Singh and Verma (2021) say that community support is a key factor in the long-term success of a business.

Ways to Get Money

Banks are the most important type of formal financial institution, making up about 36–37% of all financing in the US. Family and friends are still important secondary sources (27–28%), followed by government programs (19–22%). This shows that there are both formal and informal financial ecosystems. Tamil Nadu depends more on government programs than other states. This is because state financial corporations and women development corporations have done a good job of reaching out to people.

The small amount of personal savings (10–12%) shows how much businesses rely on outside funding. This can help businesses get started, but it can also make them more likely to go into debt. To make sure that businesses can stay in business for a long time, they need to learn about money and how to run a business in addition to getting cheap loans.

Problems in Business

Access to capital (about 31–33%) is the biggest problem in all states. This shows that there are still funding gaps even with PMMY support. Market competition comes in second, especially in Tamil Nadu, where there are a lot of stores. Other big problems include a small customer base and a lack of skilled workers, which means that both demand and the quality of the workforce are limited. There are fewer reports of regulatory problems in Kerala, but they are still important.

These results support earlier work by Joshi (2020), which found that credit problems and lack of skills were two major problems for women-led MSMEs. So, while PMMY gives us a starting point, long-term growth needs to be supported by a stronger ecosystem.

DISCUSSION

The results show that PMMY has helped women start businesses in a big way, but not completely. Its biggest success is making financial access more equal for everyone by closing gender gaps and giving women from different educational and economic backgrounds more power. But it still doesn't have much of an effect on scaling and sustainability.

Entrepreneurship has become more inclusive in terms of demographics, reaching out to women who are semi-literate and live in rural areas. In terms of business, the fact that micro-enterprises are so common shows that they are open to everyone, but it also shows that they are weak. The ecosystem is still broken up, with little market integration, low levels of digital literacy, and not enough mentorship programs.

PMMY fits into the bigger picture of MSME policy, but it needs to be combined with Skill India, Digital India, and Startup India programs to provide full support. The differences in outcomes between states also point to differences in how well policies are put into action. For example, Kerala's social inclusiveness is different from Tamil Nadu's business formalisation and Karnataka's digital orientation.

KEY FINDINGS

The study shows that married women in their 30s and 40s are the most likely to start their own businesses in Tamil Nadu, Kerala, and Karnataka. This demographic suggests that

entrepreneurship predominantly occurs after the establishment of a family, facilitated by domestic stability and societal acceptance. More young people are getting involved, especially in Karnataka. This shows that educated women are becoming more confident in their ability to support themselves through financial inclusion and digital facilitation.

Most women business owners run small and micro businesses through the PMMY program, mostly in the retail and service sectors. Manufacturing is still low because of higher capital and technical barriers. These findings indicate that PMMY has democratised financial access for small-scale ventures; however, it has not yet enabled significant enterprise scaling or diversification into higher-value industries.

The Shishu and Kishore categories of PMMY loans are the most popular, which shows that women entrepreneurs are careful about borrowing money. The low number of people who take out Tarun loans shows that they are not very willing to take risks and that they don't have enough help to grow their businesses. PMMY has done a good job of getting more people to use credit, but it works better as a way to get started with financing than as a way to help businesses grow over time.

More and more businesses in all three states are registering with Udyam and GST, which shows that people are more aware of the benefits of formalising their businesses. Tamil Nadu and Karnataka are the best at following the rules, while Kerala has a good mix of participation. This shows that PMMY has indirectly succeeded in promoting regulatory inclusion. However, for rural entrepreneurs to stay formalised, they need constant support and digital literacy.

Even though things are getting better, there are still big problems with getting money, competition in the market, and not having enough skilled workers. Women entrepreneurs have a hard time growing their businesses because they don't have enough collateral, have small customer bases, and don't get enough business training. People in the community are somewhat supportive, but this varies by region. Overall, structural and institutional gaps continue to limit women's full entrepreneurial potential and long-term sustainability under PMMY.

IMPORTANT SUGGESTIONS

The government should add more capacity-building and skill-building programs to PMMY, with a focus on business management, digital marketing, and financial literacy. These interventions would help women entrepreneurs become more efficient, manage risks better, and come up with new ideas. This would help them move from businesses that only support themselves to businesses that can compete in regional and national markets.

Credit enhancement mechanisms should be made stronger to help people get loans. For Tarun category borrowers, easier loan disbursement, flexible repayment plans, and collateral-free guarantees can all help businesses grow. Setting up specialised financial desks for women in banks and online credit platforms would make it even easier for women-led businesses to get money, making sure that small and growing women-led businesses get their fair share of capital.

Government and business groups need to help women entrepreneurs go digital by teaching them how to use social media, e-commerce, and online payments. This will help the business reach more customers, rely less on the market, and make more money. Under PMMY, digital adoption should be encouraged, especially for entrepreneurs in rural and semi-urban areas. This will make them more competitive and help their businesses last longer.

Create regional hubs for women entrepreneurs that bring together banks, training centres, and market networks all in one place. These hubs should provide technology support, mentoring, and incubation. When MSME departments, NGOs, and industry chambers work together, they can create ecosystems that help women grow their businesses and make a big difference in the economy of their region.

Policymakers should work on integrating different programs, such as PMMY with Skill India, Start-up India, and Digital India. If this happened, PMMY would change from a credit-based program into a full-fledged entrepreneurship framework. Coordinated implementation across Tamil Nadu, Kerala, and Karnataka would make sure that strategies are tailored to each region, make policies more effective, and give women a bigger role in achieving Viksit Bharat @2047.

CONCLUSION

The study finds that PMMY has greatly increased the number of women starting businesses in South India by encouraging financial inclusion, formalising businesses, and self-employment. However, most businesses are still small and focused on survival because they don't have much money, access to markets, or management skills. Tamil Nadu is the best at formalising things, Kerala is the best at making things open to everyone, and Karnataka has the most potential for digital growth. Policies need to change from focussing on making money to helping businesses grow and stay in business. By adding training, digital empowerment, and market connectivity to PMMY, it can go from being a credit scheme to a full entrepreneurship development framework. Women entrepreneurs who have power can help India reach its goal of Viksit Bharat @2047 by being catalysts for inclusive economic growth.

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