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Mudra Yojana – Boon And Bane : A Opinion Study Among Women Entrepreneurs in Virudhunagar District

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ABSTRACT

During the last decade, the concept women entrepreneurs gained momentum to boost up the economy of the nation. But only a meager percent of women started their business undertaking by crossing all the hurdles. The society does not provide red carpet welcome to women entrepreneurs. They faced problems related to finance, production, marketing and male dominated society. Among the problems, financial is the premier problem which acts as a initial hurdle for launching the business enterprise. By understanding this, Government introduced many financial assistance schemes to move the women in the path of entrepreneurship.

In order to solve the financial crisis of women entrepreneurs, financial as well as non-financial institutions framed lot of schemes. As women have less education and awareness about the schemes, they cannot reach the financial assistance. Many of them have to fear to face the cumbersome formalities *viz,* pledge, hypothecation and requirement of collateral security to obtain the financial assistance. Hence, they depend upon unorganized financial resources and they are affected by high rates of interest charges. Some women entrepreneurs started their business career by using their little amount of savings and borrowings from their friends and family members. This cannot give big push to their business execution. By understanding the difficulties, Micro Units Development & Refinance Agency Ltd. (MUDRA YOJANA) was established by the Government as a remedial measure.

Key Words: MUDRA YOJANA, Women Entrepreneur, Financial Assistance

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INTRODUCTION

The powerful creation of God in the world is women. As they are most powerful creature of God, their powers and values are locked only homes. During the last two decades, this position is changed. They come out from the home and engrave their uniqueness in all the fields. At this time also, they are engaged in the position of teachers, nurses and office assistants. The economic position of the women is low even though they have equal work load of opposite gender. Some women understood that employment is a key which improves their social status only; entrepreneurship is a key through which their economic position may be improved. A meagre percent of women started their business undertaking by crossing all the hurdles. The society does not provide red carpet welcome to women entrepreneurs. They faced problems related to finance, production, marketing and male dominated society. Among the problems, financial is the premier problem which acts as a initial hurdle for launching the business enterprise. By understanding this, Government introduced many financial assistance schemes to move the women in the path of entrepreneurship.

STATEMENT OF THE PROBLEM

In order to solve the financial crisis of women entrepreneurs, financial as well as non-financial institutions framed lot of schemes. They provide direct or indirect finance to the needy women entrepreneurs. As women have less education and awareness about the schemes, they cannot reach the financial assistance. Many of them have to fear to face the cumbersome formalities *viz,* pledge, hypothecation and requirement of collateral security to obtain the financial assistance. Hence, they depend upon unorganized financial resources and they are affected by high rates of interest charges. Some women entrepreneurs started their business career by using their little amount of savings and borrowings from their friends and family members. This cannot give big push to their business execution. By understanding the difficulties, Micro Units Development & Refinance Agency Ltd. (MUDRA YOJANA) was established by the Government as a remedial measure.

SCOPE OF STUDY

Both men and women are benefitted through this scheme, the present study is confined to analyse the attitude of the women entrepreneurs towards MUDRA YOJANA.

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OBJECTIVES OF THE STUDY

The objectives of the study are as follows:

1. To highlight the features of MUDRA YOJANA
2. To study the socio-economic profile of women entrepreneurs.
3. To analyse the attitude of the respondents towards MUDRA YOJANA
4. To offer recommendations on the basis of findings of the study

RESEARCH METHODOLOGY

The present study is based on both primary and secondary data. The primary data has been obtained from 350 women entrepreneurs residing at Virudhunagar district through well-structured interview schedule by adopting convenience sampling technique. The secondary data has been gathered from books, articles in journals and websites.

Ten statements indicating the attitude of the respondents towards MUDRA YOJANA have been framed by using Likert's five point scaling technique. Cronbach Alpha test has been used to analsye the reliability of the statements. Friedmen's ranking test has been used to examine the attitude of the respondents towards MUDRA YOJANA. Percentage analysis has been used to analyse the frequency tables.

FEATURES OF MUDRA YOJANA

The features of MUDRA YOJANA are as follows:

1. MUDRA YOJANA is a wholly owned subsidiary of Industrial Development Bank of India (IDBI).It completed its three years successfully.
2. Among the total beneficiaries, nearly seventy five percent are women.
3. The financial assistance is provided under three categories.
    a. Shishu – Assistance uptoRs. 50,000 is sanctioned.
    b. Kishore – Assistance from Rs. 50,001 to 5,00,000 is sanctioned
    c. Tarun – Assistance from Rs. 5,00,001 to 10,00,000 is sanctioned
4. It provides financial assistance to the entrepreneurs through banks and financial institutions
5. This agency is responsible for developing and refinancing all Micro-enterprises sector by supporting the finance Institutions which are in the business of lending to micro / small business entities engaged in manufacturing, trading and service activities.
6. As on 30th November 2018, number of loans sanctioned to micro units are 2,48,22,342. Total amount sanctioned are Rs. 134020.98 crore and amount of loan disbursed is Rs. 127687.41 crore.[1]

[1] www.mudra.org.in

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RESULTS AND DISCUSSION

Here, the socio-economic profile of the respondents, business profile of the respondents and attitude of the respondents towards MUDRA YOJANA are studied.

SOCIO-ECONOMIC PROFILE OF THE RESPONDENTS

In this section, four socio-economic variables age, education, monthly income and place of residence are taken into account.

Table 1
Socio-Economic Profile of the Respondents

Socio-Economic Profile		No. of Respondents	Percentages
Age (in Years)	Below 30	129	36.86
	30-50	144	41.14
	Above 50	77	22.00
Education	School level	186	53.14
	College level	114	32.57
	Others	50	14.29
Monthly Income (inRs.)	Below 15,000	153	43.71
	15,000-30,000	92	26.29
	30,000-45000	44	12.57
	45,000-60,000	32	9.14
	Above 60,000	29	8.29
Place of Residence	Rural	172	49.14
	Semi urban	125	35.71
	Urban	53	15.14

Source: Primary data

Age wise Classification

Out of 350 respondents, 144 (41.14%) belong to the age group of 30-50 years, 129 (36.86%) come under the age group of below 30 years and 77 (22%) are in the age group of above 50 years.

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Education wise Classification

Out of 350 respondents, 186 (53.14%) have completed their education upto school level, 114 (32.57%) have finished their education upto college level and 50 (14.29%) come under others category.

Monthly Income wise Classification

Out of 350 respondents, 153 (43.71%) have earned below Rs. 15,000 per month, 92 (26.29%) have earned Rs. 15,000 – Rs. 30,000 per month, 44 (12.57%) have earned Rs. 30,000 – Rs. 45,000 per month, 32 (9.14%) have earned Rs. 45,000 – Rs. 60,000 per month and 29 (8.29%) have earned above Rs. 60,000 per month.

Place of Residence wise Classification

Out of 350 respondents, 172 (49.14%) belong to rural area, 125 (35.71%) come under semi urban area and 53 (15.14%) are in urban area.

BUSINESS PROFILE OF THE RESPONDENTS

In this section, years of running the business, forms of ownership, nature of the business, amount invested in the business and amount of assistance obtained from MUDRA YOJANA has been taken into account.

Table 2
Business Profile of the Respondents

Business Profile		No. of Respondents	Percentage
Years of Running the Business	Below 5	233	66.57
	5-10	78	22.29
	Above 10	39	11.14
Forms of Ownership	Sole Proprietorship	183	52.29
	Partnership	167	47.71
Nature of the Business	Manufacturing	169	48.29
	Trading	181	51.71
Amount invested in the Business	Below 2,50,000	199	56.86
	2,50,001-5,00,000	42	12.00
	5,00,001-7,50,000	80	22.86
	7,50,001-10,00,000	29	8.29
Amount of assistance obtained from MUDRA YOJANA (in Rs.)	Below 50,000	113	32.29
	50,001-5,00,000	140	40.00
	5,00,001-10,00,000	97	27.71

Source: Primary data

Years of Running the Business

Out of 350 respondents, 233 (66.57%) have run their business for the period of below 5 years, 78 (22.29%) have run their business during 5-10 years and 39 (11.14%) have run their business for above 10 years.

Forms of Ownership

Out of 350 respondents, 183 (52.29%) are sole proprietors and the remaining 167 (47.71%) belong to partnership.

Nature of Business

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Out of 350 respondents, 181 (51.71%) are engaged in trading activities and the remaining 169 (48.29%) are engaged in manufacturing operations.

Amount Invested in the Business

Out of 350 respondents, 199 (56.86%) have invested below Rs. 2,50,000, 80 (22.86%) have invested Rs. 5,00,001-Rs. 7,50,000, 42 (12%) have invested Rs.2,50,001-Rs. 5,00,000 and 29 (8.29%) have invested Rs. 7,50,001-Rs.10,00,000 in their business.

Amount of assistance obtained from MUDRA YOJANA

Out of 350 respondents, 140 (40%) have obtained a financial assistance of Rs. 50,001-Rs.5,00,000, 113 (32.29%) have got a financial assistance of below Rs. 50,000 and 97 (27.71%) have obtained a financial assistance of Rs.5,00,001-Rs.10,00,000.

ATTITUDE OF THE RESPONDENTS TOWARDS MUDRA YOJANA

Table 3 shows the attitude of the respondents towards MUDRA YOJANA.

Table 3

Attitude of the Respondents Towards MUDRA YOJANA

Statements		Highly Satisfied	Satisfied	No Opinion	Dissatisfied	Highly Dissatisfied	Total
Wide coverage of the scheme	Count	138	123	31	31	27	350
	%	39.43	35.14	8.86	8.86	7.71	100.00
Sufficient amount sanctioned under the category	Count	213	83	17	19	18	350
	%	60.86	23.71	4.86	5.43	5.14	100.00
Quick sanctioning of financial assistance	Count	86	151	79	14	20	350
	%	24.57	43.14	22.57	4.00	5.71	100.00
Less Formalities	Count	249	48	22	19	12	350
	%	71.14	13.71	6.29	5.43	3.43	100.00
Reasonable Period of repayment	Count	115	128	63	20	24	350
	%	32.86	36.57	18.00	5.71	6.86	100.00
Nominal Interest charges	Count	201	73	15	34	27	350
	%	57.43	20.86	4.29	9.71	7.71	100.00
Easy to Obtain Financial Assistance	Count	182	95	21	29	23	350
	%	52.00	27.14	6.00	8.29	6.57	100.00
Available at Nearest Proximity banks	Count	145	68	79	17	31	340
	%	41.43	19.43	22.57	4.86	8.86	97.14
Publicity of the Scheme	Count	136	58	72	69	15	350
	%	38.86	16.57	20.57	19.71	4.29	100.00
Helps to improve the position of the business	Count	166	58	71	28	27	350
	%	47.43	16.57	20.29	8.00	7.71	100.00

Source: Primary data

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Out of 350 respondents,

- 138 (39.43%) are highly satisfied with wide coverage of the scheme
- 213 (60.86%) are highly satisfied with Sufficient amount sanctioned under the category
- 151 (43.14%) are satisfied with quick sanctioning of financial assistance
- 249 (71.14%) are highly satisfied with less formalities
- 128 (36.57%) are satisfied with reasonable period of repayment
- 201 (57.43%) are highly satisfied with nominal interest charges
- 182 (52%) are highly satisfied with easy to obtain financial assistance
- 145 (41.43%) are highly satisfied with availability at nearest proximity banks
- 136 (38.86%) are highly satisfied with publicity of the scheme
- 166 (47.43%) are highly satisfied with improvement of position of the business

In order to check the internal consistency of the ten statements indicating the attitude of the respondents towards MUDRA YOJANA, Cronbach Alpha test has been used. Table 4 spells out the Cronbach alpha test results.

Table 4
Cronbach Alpha Test - Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.922	.881	350

Source: Primary data

The Cronbach Alpha reliability scale is 0.922 which shows that the opinion given by the respondents towards the ten statements are excellent.

Friedmen's rank test has been used to analyse the attitude of the respondents towards MUDRA YOJANA.

Table 5
Attitude of the Respondents Towards MUDRA YOJANA – Friedmen's Rank Test

Statements	Total
Wide coverage of the scheme	29.04
Sufficient amount sanctioned under the category	43.01
Quick sanctioning of financial assistance	33.61
Less Formalities	47.93
Reasonable Period of repayment	15.60
Nominal Interest charges	41.67
Easy to Obtain Financial Assistance	40.95
Available at Nearest Proximity banks	34.42
Publicity of the Scheme	21.74

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Helps to improve the position of the business	37.28

Source: Primary data

Most of the respondents gave highest score to 'less formalities' followed by 'sufficient amount sanctioned under the category'. Least score is obtained by the statement 'reasonable period of repayment'.

RECOMMENDATIONS

On the basis of findings of the study, some recommendations are offered.

1. Period of repayment of financial assistance has to be revised as many respondents gave least score to this statement.
2. Government has to focus on publicity of the scheme. When more awareness is given through publicity, most of the people come forward to utitlise the scheme

CONCLUSION

MUDRA YOJANA scheme is implemented in twenty nine states and seven union territories and the financial institutions met the target of amount disbursements. Among the States, Tamilnadu got first position in amount sanctioning and disbursement. Many women entrepreneurs are benefited through this scheme. As most of the respondents are highly satisfied with the features of the schemes, definitely it is proved that MUDRA YOJANA scheme is a boon for women entrepreneurs.

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