

“ROLE OF MUDRA YOJANA IN EMPLOYMENT GENERATION: A STUDY WITH SPECIAL REFERENCE TO SELF EMPLOYED WOMEN IN ERNAKULAM”

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ABSTRACT:

Small and micro business development is the most effective way to contribute to the country's economic growth. One of the most important goals of India's development planning is to increase employment, especially among women. The problem of employment is closely connected with the abolition of poverty. India, being a developing economy, requires its micro and small entrepreneurs in women to grow and prosper.

INTRODUCTION:

Considering the huge population and the associated poverty lines, this is not easy to accomplish. To avoid this, the government introduced the MUDRA Yojana scheme. MUDRA is the abbreviation for Micro Units Development and Refinance Agency. There are a lot of small scale entrepreneurs in our country but all they live at the mercy of moneylenders like Chettiyars, Marvadis etc. MUDRA loan scheme is meant to empower women in India irrespective of caste,, religion or gender. Micro Units Development and Refinance Agency ltd. were launched in 8 April 2015. Its main purpose is to provide funding to the non-corporate small business sector in India.

SIGNIFICANCE OF THE STUDY:

Micro, Small and Medium Enterprises (MSMEs) especially in women sector are the strength of the Indian economy and the engine of growth as well as development. The bank provides MUDRA loans at lower interest rate.

This bank will boost up the confidence of young, educated or skilled labors as well as the existing small entrepreneurs. It will help them to expand their activities. Hence it is important to study the working of MUDRA loan scheme among various women entrepreneurs. The present study focused to analyze the MUDRA yojana in employment generation and this study takes the self-employed working women in Ernakulam district.

STATEMENT OF THE PROBLEM:

Entrepreneurs are the backbone and strength of the Indian economy and the engine of growth and employment. MUDRA scheme will helps to generate new employment opportunities among women by providing financial support. The study concentrate on the role of MUDRA Yojana in employment generation and it focused the self-employed women in Ernakulam district.

OBJECTIVES OF THE STUDY:

- To evaluate the income level of women entrepreneurs benefited after providing the MUDRA loan.
- To examine the role of MUDRA loan in providing new employment opportunities among women.
- To provide suggestions regarding MUDRA loan for its effective implementation or for the maximization of social benefit.

METHODOLOGY:

The primary method of data collection that is questionnaire technique was used to

collect the information required. About 100 samples have been collected for the study. The questionnaire consists of personal information, income, savings...etc. The questionnaire was designed in such a way that the respondents were able to express their opinion and ideas freely and frankly.

AREA OF THE STUDY:

This is micro level study. The area selected for the present study was confined self-employed women in Ernakulam district.

SELECTION OF SAMPLE:

The study is based on simple random sample method which comes 100 samples.

SOURCES OF DATA:

In order to attain the objective of the study, there are two types of data collection method. The primary data was collected from a detailed questionnaire. The secondary data includes books, journals, publications, internet etc.

METHOD OF ANALYSIS:

Statistical tools were used for systematic arrangement and analysis data. The collected data were coded and analyzed by using simple tools like tabulation, diagrams and percentage.

SCOPE OF STUDY:

The scope of study is immense it is named at covering the role MUDRA Yojana in employment generation among women in Ernakulam district.

PERIOD OF STUDY:

All the data are collected during the period 2019-2020.

RELEVANCE OF THE STUDY:

The present study conducted is to study the role of MUDRA Yojana in employment generation among women with special reference to the self-employed people in Ernakulam district.

LIMITATIONS

- Some of the respondents were not willing to reveal information about their account details and income.
- Time is another limitation for this study.
- Collection of data from uneducated self-employed people.

REVIEW OF LITERATURE

This section attempts a review of the available literature related to the topic.

- "India's Prime Minister Narendra Modi (December 30, 2015) states that a Dalit entrepreneur knows what it is like to go through the rigorous world, unlike those who have inherited companies and fortunes. He also pointed out that at the core of the government's emphasis is financial inclusion.
- "India's finance minister, Arun Jaitley (2015), states that the government will develop a re-finance agency, MUDRA Bank, with an initial corpus of Rs.20,000 crore to provide SC/ST company entrepreneurs with credit facilities. He said there are around 5.77 crore small business units, mainly individual ownership, operating small manufacturing, trading or service enterprises. It is difficult for these sole proprietors or entrepreneurs of small and medium enterprises to receive credit or finance from the financial institutions.
- According to Jiji Mammen, CEO of MUDRA (2016) while banks availed re-finance facility to the tune of around Rs.800 crore, the rest was accessed by Micro Finance Institutions (MFIs) mainly. And he also says that, during the summit that the north-eastern sector will be given priority under the MUDRA

scheme. The scheme's objective is to refinance collateral free loans given by the lenders to small borrowers.

- Pranab Mukherjee President of India (2016) says that, the government has provided over Rs.2 lakh crore through the sanctioned loans of 5 crore under the Pradhan Mantri MUDRA Yojan, and addressing the joint sitting of both houses of parliament i.e., Lok Sabha and Raj Sabha, the president said that crores of the government's policies was welfare of the poor, dalits, farmers, labourers, and the youth.
- Union Petroleum Minister Dharmendra Pradhan (2016) pointed out that, urged banks to scale up disbursement of small loans under MUDRA scheme to the poor, youth, and women entrepreneurs in neglected areas of Odisha, and while reviewing the progress of implementation of MUDRA scheme in the state, Pradhan lamented that the dismal performance of Public Sector Banks (PSBs), Regional Rural Banks (RRBs) and Private Banks in disbursing small loans in comparison to Micro Finance Institutions (MFIs) and NBFCs.

AN OVERVIEW ON MUDRA YOJANA:

India, being a developing country, requires its small entrepreneurs to grow and prosper. Considering the huge population and the associated poverty lines, this is not an easy task to accomplish. Employment generation in women sector has been one of the important objectives of development planning in India. The problem of employment in women is closely interlinked with the eradication of poverty. There are three main aspects of the employment problem in India. They are the problem of proportion of labor to total population, problem of productivity of labor and problem of unemployment and

underemployment. To aid this, the Government has come up with the MUDRA Yojana scheme.

MUDRA is the abbreviation for micro unit's development and refinance agency. This scheme looks to reverse all that and empower every Indian irrespective of caste, creed, religion or gender. Three categories have been announced under this scheme. They are Shishu, Kishor, Tarun, each of which will strive to ensure growth under varying ranges of micro credits and micro finance.

- Under 'Shishu' category, loans up to Rs.50,000 will be sanctioned. This is the first stage when the business is just starting up.
- Under 'Kishore' category, loans above Rs.50,000 and up to Rs.5 lakh will be provided.
- Under 'Tarun' category, loan of above Rs.5 lakh and up to Rs.10 lakh will be sanctioned.

Providing employment to millions of youngsters who enter the job market every year was one of the foremost pre-election promises of the Modi government. The objective of Mudra Yojana essentially stems from the realization that providing employment doesn't necessarily mean creating jobs; rather giving self-employment opportunities. With its aim of promoting MSME sectors and new entrepreneurs, MUDRA Yojana is one of the important measures of Modi's policy framework for providing employment to others. It is announced in the year 2015 Union Budget, the scheme was formally launched by the Prime Minister Narendra Modi in August 2015.

DATA ANALYSIS AND INTERPRETATION:

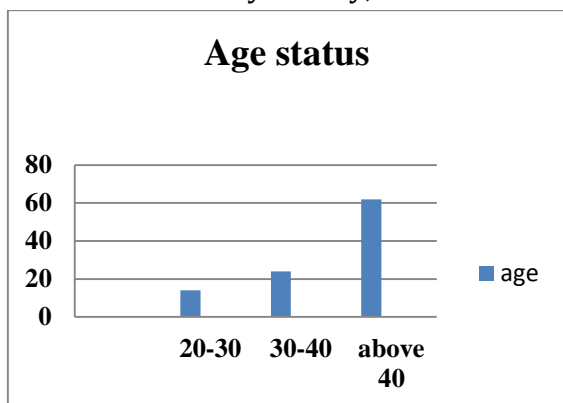
The present chapter deals with the analysis and interpretation of collected data. The information is collected through interview schedule from Ernakulam. All the data from primary survey is used for analysis.

AGE PROFILE OF THE RESPONDENTS:

This table shows the age profile of the respondents in the total sample.

Age	Number of respondents	Percentage (%)
20-30	14	14
30-40	24	24
Above 40	62	62
total	100	100

Source: Primary Survey, 2019-2020



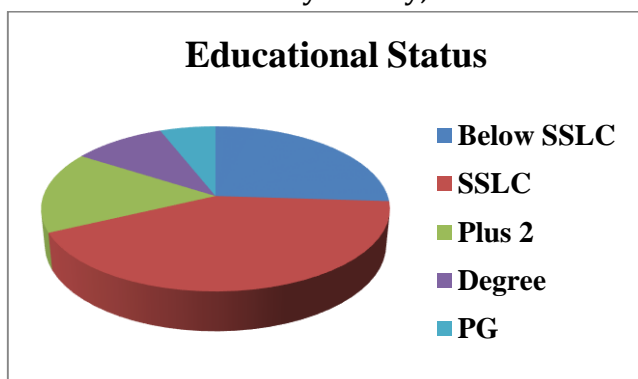
The table shows the age wise classification of respondents in Ernakulam. Majority of respondents are belonging to the age group of above 40 with 62% and 14% of respondents belong to the age group of 20-30. 24% of respondents belong to the age group 30-40.

EDUCATIONAL STATUS:

This table represents the educational level of the respondents.

Education	Number of respondents	Percentage (%)
Below SSLC	26	26
SSLC	42	42
Plus 2	16	16
Degree	10	10
PG	6	6
Total	100	100

Source: Primary Survey, 2019-2020



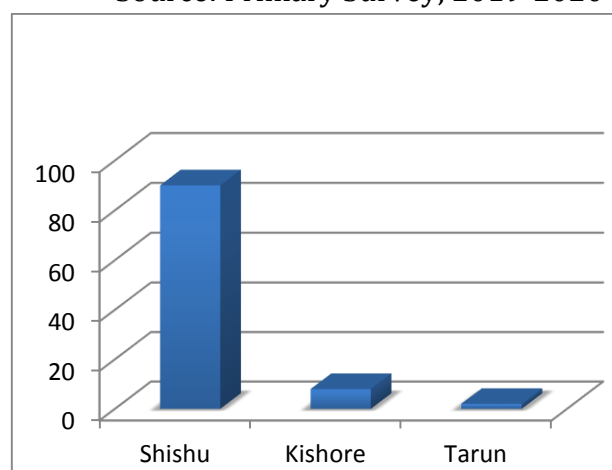
From the above table, it is clear that a great majority of respondents almost 42% belongs to SSLC, and 26% of respondents belongs to below SSLC. 16% of respondents falls under plus 2, and 10% of respondents belongs to Degree and only 6% of respondents are post graduated. It shows that all the respondents are literate.

MUDRA LOAN SCHEME

MUDRA yojana consists of three categories. They are, Shishu loan scheme, Kishore loan scheme, and Tarun loan scheme. The following table representing the categorization of MUDRA scheme among the respondents.

Scheme	Number of respondents	Percentage (%)
Shishu	90	90
Kishore	8	8
Tarun	2	2
total	100	100

Source: Primary Survey, 2019-2020



From the table, it is clear that a great majority of respondents about 84% are getting shishu loan scheme. 6% of respondents getting kishore loan scheme and only 4% of respondents getting the tarun loan scheme. Under shishu scheme, a loan cover up to Rs.50,000 will be given in order to start up.

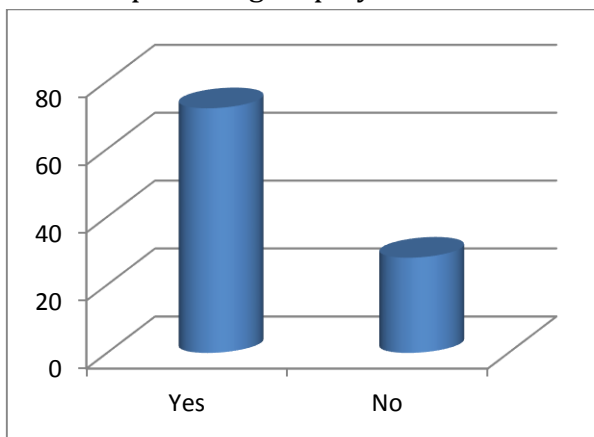
NUMBER OF PROVIDING EMPLOYMENT OPPORTUNITIES TO OTHERS:

This table shows the number of providing employment opportunities to others.

Provide employment to others	Number of respondents	Percentage
Yes	72	72
No	28	28
total	100	100

Source: Primary Survey, 2019-2020

Number of providing employment to others



The above table shows that 72% of respondents were providing employment to others and remaining 28% of respondents are not creating employment to others. This indicates that majority of respondents are creating new employment opportunities to others. This will reduce the unemployment situation in the society.

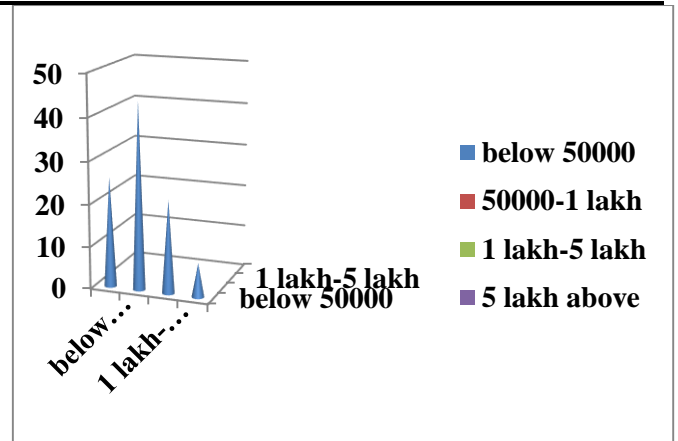
MINIMUM EXPENDITURE:

This table shows the minimum expenditures of the respondents in running their small businesses.

Expenditure	Number of respondents	Percentage (%)
Below 50000	26	26
50000-1 lakh	44	44
1 lakh- 5 lakh	22	22
5 lakh above	8	8
total	100	100

Source: Primary Survey, 2019-2020

Minimum Expenditure



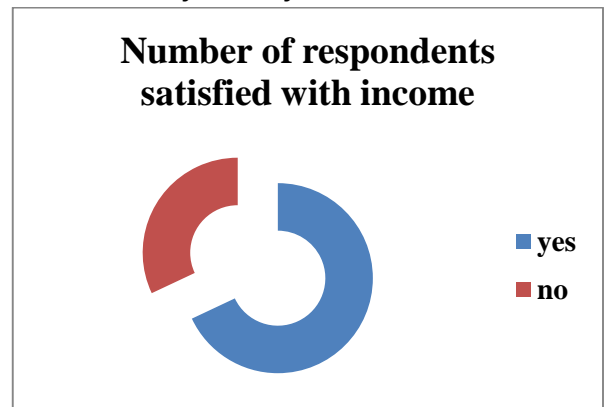
As per the table, it shows that 26% of respondents belong to below 50,000 and 44% of respondents belongs to the minimum expenditure group of 50,000-1 lakh. 22% of respondents meet their expenditure between 1 lakh -5 lakh and remaining 8% of respondents belongs to above 5 lakh. Every self-employed people are running their businesses with a minimum expenditure.

NUMBER OF RESPONDENTS SATISFIED WITH INCOME:

This table shows the number of respondents satisfied with their income.

Satisfied with income	Number of respondents	Percentage (%)
Yes	68	68
No	32	32
Total	100	100

Source: Primary Survey, 2019-2020



The above table shows that only 68% of respondents are satisfied with their income and remaining 32% of respondents are not

satisfied with their income. It indicates that majority of respondents having a satisfied income level with the help of MUDRA loan.

FINDINGS, SUGGESTIONS AND CONCLUSION:

FINDINGS:

- It is found from the study that,
- Analysis shows that majority of respondents comes under the age group of above 40.
 - It has been found that a great majority of self-employed people are shishu loan scheme holders. 90% of respondents are getting shishu loan scheme from banks. Therefore, majority of respondents repaying less than Rs.2000.
 - Analysis shows that 72% of respondents are creating employment opportunities, they provide employment to others.
 - 44% of respondents are running their self-employment with the expenditure of Rs.50000 to Rs.1 lakh. 26% of respondents meet their expenditure below Rs.50000.
 - Analysis shows that 84% of respondents are enjoying the benefit from MUDRA loan; it has been reflected in their income after getting the MUDRA loan.
 - The study shows that majority of respondents are not satisfied with their income. But they satisfied with their self-employment.
 - It has been found that, almost all the self-employed people are supported by their family or society.

SUGGESTIONS:

- If Kishore and Tarun loan schemes are developed, the economy will be benefited. So the government should take appropriate steps.
- The nationalized banks should take initiatives to attract people towards taking MUDRA loan.

- The government should take appropriate steps to create awareness and information about MUDRA loan among people.

CONCLUSION:

The project study entitled "The Role of MUDRA Yojana in employment generation; A Study with Special Reference to Self Employed Women in Ernakulam". The study reveals that majority of self-employed people are the holders of MUDRA Yojana, especially Shishu loan scheme. Almost all the nationalized banks are providing MUDRA loan. MUDRA Yojana benefited millions of small business owners in India. The interest rate is not fixed and it would depend on the type of business and the bank. Each bank will have their own norms and conditions. MUDRA should be providing collateral free security loans. Majority of self-employed people are satisfied with their self-employment. It also enabled the women to reduce their dependence on family members and to become self-reliant.

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