

## Original Article

# Role of Mudra Yojana in Promoting Women Entrepreneurship for Sustainable and Inclusive Development: Evidence from Raigad District

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Manuscript ID:  
BN-2026-030209

ISSN: 3065-7865

Volume 3

Issue 2

February 2026

Pp. 41-45

Submitted: 10 Jan 2026

Revised: 20 Jan 2026

Accepted: 09 Feb 2026

Published: 28 Feb 2026

DOI:

[10.5281/zenodo.19844998](https://doi.org/10.5281/zenodo.19844998)

DOI link:

<https://doi.org/10.5281/zenodo.19844998>



Quick Response Code:



Website: <https://bnir.us>



### Abstract

*The vision of Viksit Bharat underscores the need for inclusive, sustainable, and knowledge-driven economic development that ensures balanced regional growth and social equity. In this context, addressing the persistent issue of industrial sickness while simultaneously promoting socially inclusive entrepreneurship has emerged as a critical national priority. Industrial sickness has adversely affected several regions of Maharashtra by causing unemployment, income insecurity, and regional economic imbalances, particularly among small-scale and ancillary industries.*

*Women entrepreneurship, supported by institutional financial mechanisms, is increasingly recognized as a sustainable strategy for economic revival and social empowerment. The Pradhan Mantri MUDRA Yojana (PMMY), launched by the Government of India, aims to provide collateral-free credit to micro-entrepreneurs, with a special focus on women beneficiaries, thereby strengthening financial inclusion and entrepreneurial capacity at the grassroots level.*

*The present study examines the role of MUDRA Yojana in fostering women entrepreneurship as a mechanism for sustainable development and knowledge integration in the industrially affected areas of Raigad district, Maharashtra. The study is based on primary data collected from 50 women entrepreneurs who availed MUDRA loans. Descriptive statistical tools are used to analyse the socio-economic characteristics of beneficiaries, nature of enterprises, employment generation, income changes, and challenges faced.*

*The findings reveal that women-led micro-enterprises supported by MUDRA Yojana significantly contribute to self-employment, local job creation, income enhancement, and economic resilience. These enterprises also facilitate knowledge integration through skill application, experiential learning, and adaptive business practices. However, constraints such as limited loan size, inadequate training, digital gaps, and marketing challenges continue to hinder long-term sustainability. The study concludes that strengthening financial support with structured knowledge-based interventions is essential for achieving sustainable development and realizing the vision of a Viksit Bharat.*

**Keywords:** Sustainable Development, Women Entrepreneurship, Knowledge Integration, MUDRA Yojana, Viksit Bharat, Industrial Sickness, Raigad District

### Introduction

Sustainable development has become a foundational principle of India's long-term growth strategy, particularly under the national vision of *Viksit Bharat @2047*, which seeks to transform India into a developed economy through inclusive prosperity, social justice, and knowledge-led economic transformation. A major impediment to achieving this vision is industrial sickness, which is characterized by continuous financial losses, declining productivity, technological obsolescence, and eventual closure of industrial units. Industrial sickness not only weakens economic output but also leads to unemployment, loss of income, and social distress, thereby undermining sustainable development.

Maharashtra, despite being one of India's most industrially advanced states, has experienced industrial sickness in several districts due to factors such as outdated production technology, managerial inefficiencies, limited access to credit, and increased market competition.

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### How to cite this article:

*Shewale, A. T., & Londhe, P. B. (2026). Role of Mudra Yojana in Promoting Women Entrepreneurship for Sustainable and Inclusive Development: Evidence from Raigad District. Bulletin of Nexus Journal, 3(2), 41-45. <https://doi.org/10.5281/zenodo.19844998>*

Raigad district, though strategically located near the Mumbai Metropolitan Region, has witnessed industrial slowdown in certain pockets, particularly among small-scale and ancillary industries. This has resulted in reduced employment opportunities and increased livelihood insecurity.

In such a scenario, women entrepreneurship emerges as a powerful alternative development pathway. By promoting self-employment, income generation, and local economic participation, women-led enterprises contribute to poverty reduction, gender equality, and community resilience. Recognizing the importance of financial inclusion in entrepreneurship development, the Government of India introduced the Pradhan Mantri MUDRA Yojana (PMMY) in 2015, offering collateral-free loans under the Shishu, Kishor, and Tarun categories.

This study examines how women entrepreneurship supported by MUDRA Yojana contributes to sustainable development and knowledge integration in Raigad district by generating self-employment, enhancing skill utilization, and revitalizing local economies affected by industrial sickness.

### Review of Literature

Women entrepreneurship has been widely recognized as a key driver of inclusive and sustainable economic development. Government initiatives and academic studies emphasize that women-led enterprises contribute to employment generation, income enhancement, and social empowerment, particularly in regions affected by industrial decline.

The Government of India (2015), through the Pradhan Mantri MUDRA Yojana (PMMY), highlights the importance of collateral-free institutional credit in promoting micro-entrepreneurship among women and strengthening financial inclusion. The *Viksit Bharat @2047* vision document (Government of India, 2022) further underscores women's entrepreneurship and knowledge-driven development as essential components of India's long-term growth strategy.

At the state level, the *Economic Survey of Maharashtra* (Government of Maharashtra, 2022) reports that industrial sickness has adversely impacted employment and income stability in several districts, emphasizing the need for alternative livelihood options such as micro and small enterprises. This provides a strong policy rationale for promoting women entrepreneurship in industrially affected regions like Raigad district.

Academic studies support this perspective. Sharma (2018) finds that access to institutional

finance significantly improves income levels and business sustainability among women entrepreneurs. Patil and Deshmukh (2020) observe that women-led micro-enterprises play an important role in absorbing labour displaced due to industrial sickness, thereby contributing to local economic resilience. Rao (2021) emphasizes that financial inclusion through schemes like MUDRA facilitates skill application and experiential learning, which are crucial for sustaining micro-enterprises.

From a global development perspective, the United Nations (2015) recognizes women entrepreneurship as a vital instrument for achieving sustainable development goals related to gender equality, decent work, and economic growth. Overall, the literature establishes that women entrepreneurship supported by institutional finance can effectively address employment challenges and promote sustainable development. However, limited studies examine this relationship within a regional framework linking industrial sickness, women entrepreneurship, and knowledge integration. The present study seeks to address this gap with reference to Raigad district in Maharashtra.

### Objectives of the Study

The specific objectives of the study are:

1. To examine the socio-economic profile of women entrepreneurs availing MUDRA loans in Raigad district.
2. To analyse the role of MUDRA Yojana in promoting sustainable women entrepreneurship.
3. To assess the contribution of women-led enterprises to employment generation and industrial recovery.
4. To evaluate the role of knowledge and skill integration in sustaining women-owned enterprises.
5. To identify the major challenges faced by women entrepreneurs in achieving long-term sustainability.

### Hypotheses

H<sub>1</sub>: MUDRA Yojana has a significant positive impact on sustainable women entrepreneurship in Raigad district.

H<sub>2</sub>: Women-led enterprises supported by MUDRA Yojana contributes significantly to employment generation in industrially affected areas H<sub>3</sub>: There is a significant improvement in income levels after availing MUDRA loans.

### Research Methodology

The study adopts a descriptive and analytical research design to provide both a comprehensive

profile of women entrepreneurs and an assessment of the impact of MUDRA loans on their economic activities.

A sample of 50 women entrepreneurs from various talukas of Raigad district was selected using purposive sampling, focusing specifically on women who had availed MUDRA loans.

**Data Collection**

Primary data were collected through structured questionnaires and personal interviews, which

**Data Analysis and Interpretation**

**Table 1: Age-wise Distribution of Respondents**

Age Group (Years)	Number	Percentage
Below 25	8	16%
25–35	22	44%
35–45	14	28%
Above 45	6	12%
<b>Total</b>	50	100%

**Interpretation:**

The dominance of the 25–35 age group indicates that young women are increasingly adopting entrepreneurship as a viable and sustainable livelihood option. This reflects a positive alignment with India’s demographic dividend and the long-term objectives of *Viksit Bharat*, which emphasize youth-led economic participation.

**Table 2: Nature of Enterprise Started**

Nature of Business	Number	Percentage
Manufacturing	12	24%
Trading	18	36%
Services	20	40%
<b>Total</b>	50	100%

**Interpretation:**

The predominance of service and trading enterprises suggests a preference for low-capital, flexible, and knowledge-intensive activities. These enterprises are well-suited to industrially affected regions, as they rely more on skills and local knowledge than on heavy infrastructure.

**Table 3: Employment Generation by Women-led Enterprises**

Employment Generated	Number	Percentage
Self only	21	42%
1–2 workers	17	34%
3–5 workers	12	24%
<b>Total</b>	50	100%

**Interpretation:**

While self-employment remains the primary outcome, a substantial proportion of enterprises generate additional employment. This demonstrates the multiplier effect of women entrepreneurship in strengthening local economies and reducing the adverse impact of industrial sickness.

**Table 4: Change in Income after Availing MUDRA Loan**

Income Change	Respondents	Percentage
Increased	38	76%
No Change	9	18%
Decreased	3	6%
<b>Total</b>	50	100%

**Interpretation:**

The significant increase in income among the majority of respondents confirms the effectiveness of MUDRA Yojana in improving economic security,

enabled the collection of both quantitative and qualitative information. Secondary data were sourced from government reports, RBI publications, MSME reports, academic journals, and official websites.

**Tools of Analysis**

The collected data were analysed using percentages, tables, and descriptive interpretation to identify patterns, trends, and implications relevant to sustainable development.

enhancing livelihoods, and supporting sustainable development.

## Challenges to Sustainable Women Entrepreneurship

Despite positive outcomes, women entrepreneurs face several challenges that hinder enterprise growth and sustainability. These include inadequate loan amounts for expansion, lack of formal training in business management and digital tools, limited access to markets, procedural delays in banking, and social and family responsibilities. Addressing these challenges is essential for transforming micro-enterprises into sustainable economic units.

### Findings of the Study

- MUDRA Yojana has enhanced women's participation in entrepreneurship in industrially sick regions.
- Women-led enterprises contribute to employment generation, income stability, and community resilience.
- Knowledge integration through experiential learning strengthens enterprise sustainability.
- Institutional and structural barriers limit long-term growth potential.

### Suggestions

- Strengthen entrepreneurship training and knowledge-based skill development programs.
- Enhance loan limits for successful women entrepreneurs.
- Promote digital literacy and e-marketing support.
- Simplify banking procedures and improve institutional handholding.

### Conclusion

Women entrepreneurship supported by MUDRA Yojana represents a sustainable and inclusive response to industrial sickness in Maharashtra. In Raigad district, women-led micro-enterprises have contributed to employment generation, income enhancement, and effective knowledge integration, aligning closely with the vision of *Viksit Bharat*. Strengthening financial inclusion with skill development, digital empowerment, and market support will further enhance the role of women entrepreneurship in achieving sustainable and regionally balanced development.

### Acknowledgment

I would like to express my sincere gratitude to everyone who contributed to the successful completion of this project titled "*Role of Mudra Yojana in Promoting Women Entrepreneurship for Sustainable and Inclusive Development: Evidence from Raigad District.*"

First and foremost, I extend my heartfelt thanks to my teacher/guide for their valuable guidance, continuous encouragement, and constructive

suggestions throughout the course of this study. Their support greatly helped me understand the significance of women entrepreneurship and the impact of government initiatives on sustainable and inclusive development.

I am also thankful to my institution for providing the necessary academic support, resources, and a conducive learning environment that made this research possible.

I would like to express my deep appreciation to my parents and family members for their constant motivation, patience, and moral support during the preparation of this project.

Special thanks are extended to all the respondents, women entrepreneurs, and stakeholders from Raigad District who shared their experiences and insights, which added valuable practical perspectives to this study.

I also acknowledge the authors, researchers, government reports, and online resources that provided important information and guidance for completing this research work.

### Financial support and sponsorship

Nil.

### Conflicts of interest

The authors declare that there are no conflicts of interest regarding the publication of this paper

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