

CHALLENGES AND OPPORTUNITIES IN FINANCIAL ACCESSIBILITY FOR WOMEN ENTREPRENEURS: A STUDY OF MUCB'S POLICIES IN NORTH GUJARAT

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Abstract

Women entrepreneurs face significant challenges in accessing financial resources, which hinder their business growth and economic empowerment. This study examines the financial accessibility policies and initiatives of MUCBs in North Gujarat. The literature review offers a comprehensive idea regarding the role of women in economic development along with financial access for women entrepreneurs. The methodological section provides a research strategy consisting of a research approach, design and philosophy that has helped the research in offering the relevant findings. Both primary quantitative and secondary qualitative methods have been incorporated within this research to get an accurate result. Primary data has been gathered from 101 participants through the help of Google Forms. Secondary data has been gathered from different books, articles, journals and other secondary sources. Primary data has been analysed using statistical data analysis and secondary data has been analysed using thematic data analysis. The findings of this research aim to inform policymakers, financial institutions and stakeholders to create a more inclusive and supportive financial ecosystem for women-led enterprises in North Gujarat.

Keywords: *Women Entrepreneurs, Financial Accessibility, MUCBs, Microfinance, Women-Centric Banking Policies, Financial Inclusion, Credit Barriers, Financial Literacy, Women Empowerment.*

1. Introduction

1.1 Background & Context

Women entrepreneurs play an extremely important role in fostering economic growth, job creation and social development. However, they struggle to secure financial resources due to three main obligations: gender discrimination, restricted collateral, and insufficient knowledge about finance. The growth of female business owners is restricted by institutional barriers, high interest rates, and restrictive credit policies¹. Financial accessibility can be achieved through supportive policies along with microfinance solutions digital banking accessibility and proper government interventions. This study will analyse the challenges women entrepreneurs face in accessing financial resources and evaluate the effectiveness of MUCBs in North Gujarat. It will also aim to identify opportunities for improving financial inclusion and support for women-led enterprises.

1.2 Problem Statement

Financial accessibility helps women entrepreneurs achieve economic growth while creating jobs and enabling business growth. Women entrepreneurs in North Gujarat experience growth in their business ventures by utilizing opportunities such as microfinance programs along with government-backed schemes and digital banking.

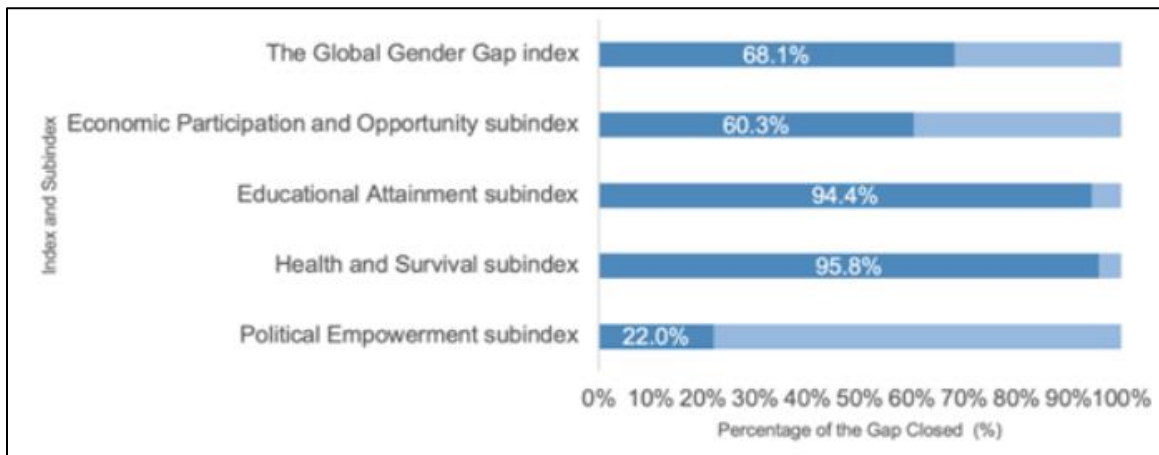


Figure 1: Gender Gaps Impact Wages for Women²

The graphical representation shows that Women have gained a 2% higher income than last year though institutional obstacles persist including limited assets along with gender-related biases and strict borrowing rules. Enhancing financial inclusion with the right solutions can establish gender equality in business and create a fairer entrepreneurial environment for women³. This research will analyse all the challenges women entrepreneurs face in assessing financial resources and opportunities and financial support provided by Mahila Urban Cooperative Banks (MUCBs) through its policies serve as an essential bridge to connect this gap in North Gujarat.

1.3 Aim and Objectives

Aims

The study aims to investigate and examine the opportunities and challenges regarding financial accessibility focusing on various policies of MUCB for women entrepreneurs in North Gujarat

Objectives

- To analyse challenges faced by women entrepreneurs in accessing financial resources in North Gujarat
- To evaluate MUCB's policies and their effectiveness in addressing these challenges in North Gujarat
- To explore opportunities for improving financial inclusivity for women entrepreneurs

1.4 Research Questions

- What are the challenges faced by women entrepreneurs in accessing financial resources in North Gujarat?
- How are MUCB's policies and their effectiveness enhanced in addressing the identified challenges in North Gujarat?
- What opportunities help in improving financial inclusivity for women entrepreneurs in North Gujarat?

2. Literature Review

2.1 The Role of Women in Economic Development

Women in rural India like North Gujarat are enhancing their economic development through the help of creation of independent sources of income that highlight women empowerment. The research states that women empowerment refers to the technique of allowing females to take an active part in economic, social, and political activities with a better understanding of their rights and legal authorities. Women obtained economic empowerment and received social and political support through microfinance loans offered by microfinance

institutions⁴. Empowered women from the Self-Help Group or SHG demonstrate various findings considering various domains consisting of political and economic empowerment, women's mobility, and avoidance of domestic violence along with psychological empowerment.

Social media tools and techniques have incorporated rapid change in enhancing economic development and empowering marginalized groups like women in tribal and rural areas of North Gujarat. The digital revolution offers various advantages to tribal women living in North Gujarat due to various obligations like gender inequality, educational opportunities, and insufficient that prevented women from participating in formal economic sectors⁵. The research also offers women in North Gujarat an in-depth evaluation of the technological platform's potential to create economic development for the excluded community. Digital platforms serve as the route that creates the new economic potential for women who live in rural areas and tribal communities.

2.2 Financial Access for Women Entrepreneurs

Women entrepreneurs are stated as one of the significant issues for global development due to gender discrimination faced by women in most of the developing countries yet they are involved in several organizations due to empowerment and self-influencing behaviour. Economic empowerment of women has access to employment, property, and financial services, Market knowledge, and skills development⁶. The majority of the women benefit from enhanced financial potential through the help of selecting and managing small businesses along with establishment.

Women entrepreneurs need financial access to advance economic growth while driving innovation and establishing gender equality. The empowerment of women to start and grow businesses is achievable through microfinance services along with government programs and digital banking initiatives as well as cooperative organizations⁷. These women gain additional support from government policies and low-interest credit options as well as mentorship programs that build their entrepreneurial success.

2.3 Theoretical Framework

Feminist Economics Theory

The field of feminist economics highlights traditional economic theories by showing that women face ongoing inequalities persisting in labour opportunities alongside earning rates and monetary access channels. The theory places importance on labour without payment and care responsibilities while it offers a view on structural inequalities that affect women negatively⁸. Thai theory also tends to promote equitable resource distribution along with inclusive decision-making procedure that aligns gender-aware financial structures to obtain both economic and social justice in the society of North Gujarat considering women entrepreneurs.

Institutional Theory

The institutional theory aims at official institutions paired with unwritten institutions of traditions and culture to direct economic and social activities. The theory enhances the organizations to adapt their behaviour and decision-making patterns according to structure rules and organizational norms⁹. It allows the organizations considering women entrepreneurs to transform themselves to satisfy demands of legitimacy stability and long-term success from their institutional surroundings of North Gujarat.

2.4 Literature Gap

The research examines a certain geographic area with a particular banking institution which impacts the wider applicability of findings to diverse environments. Highlighting any specific organization would have offered a detailed viewpoint on the women entrepreneurs and might not offer the rapid changing of policy and economic environments.

3. Methods

3.1 Research Strategy

The research procedure consists of a *Deductive Approach* that aims to involve a theoretical perspective through the help of data analysis and collection methods. *Positivism Philosophy* is integrated to emphasize aims and objectives with measurable facts, and observation for a better understanding of reality. The researcher has developed a *Conclusive Research Design* that helps to conduct the research in a structured way and provides an in-depth and real context of the topic.

3.2 Data Collection

The researcher has considered *Primary Quantitative* and *Secondary Qualitative* data to gather accurate insights for this research. The primary quantitative method aims to acquire the most relevant and real-time information by surveying 101 participants with a set of questionnaires. It is further distributed through the help of Google Forms. The secondary data has been collected from different secondary sources such as articles, books and journals. This method aims at providing relevant information through the help of existing research considering appropriateness to the topic.

3.3 Data Analysis

The *Statistical* and *Thematic methods* have been incorporated by the researcher to analyse and evaluate the acquired information. The statistical data analysis method enhances in evaluation of the quantitative data through the help of the SPSS tool which tends to provide a more realistic analysis of the opinions and perspectives of the participants. The thematic data analysis method enhances in evaluation and analysis of the information acquired from multiple existing sources. One of the main benefits of incorporating mixed methods is that it incorporates the benefits of both methods and eliminates the disadvantages of each other.

3.4 Ethical Considerations

Researchers must address three fundamental elements to achieve successful methodology development considering ethical approval, avoidance of biases, and accurate data collection. It enhances in protection of participants' data from harm while offering respect towards cultural sensitivity and maintaining complete transparency in the results. This section ensures that all the participants have given their responses on their own, the researcher does not influence their responses.

4. Results

4.1 Primary Analysis

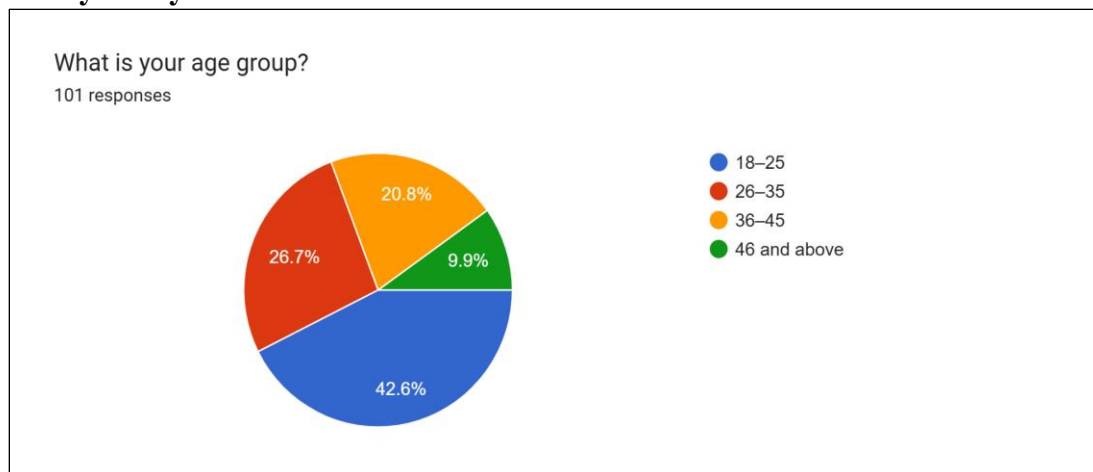
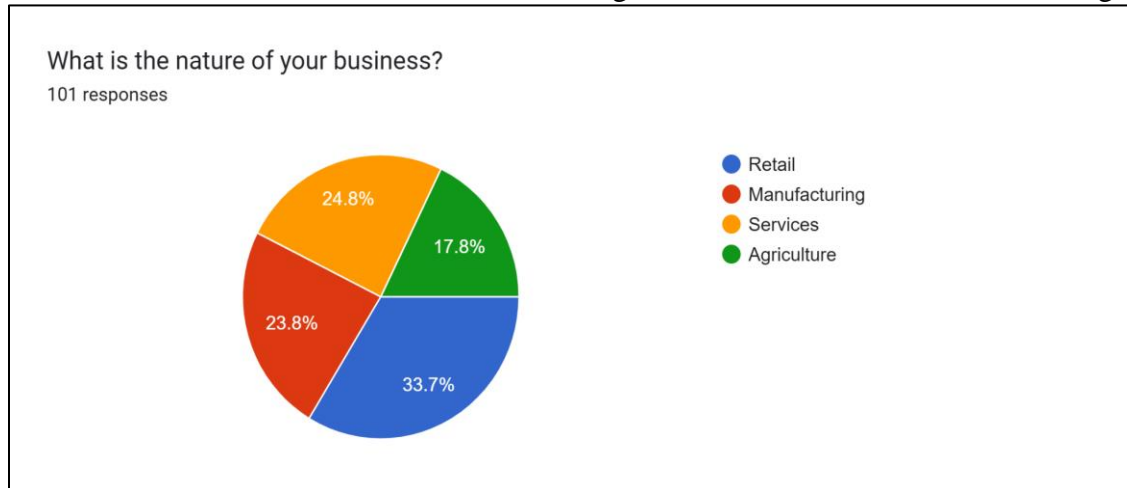


Figure 2: Age of Participants

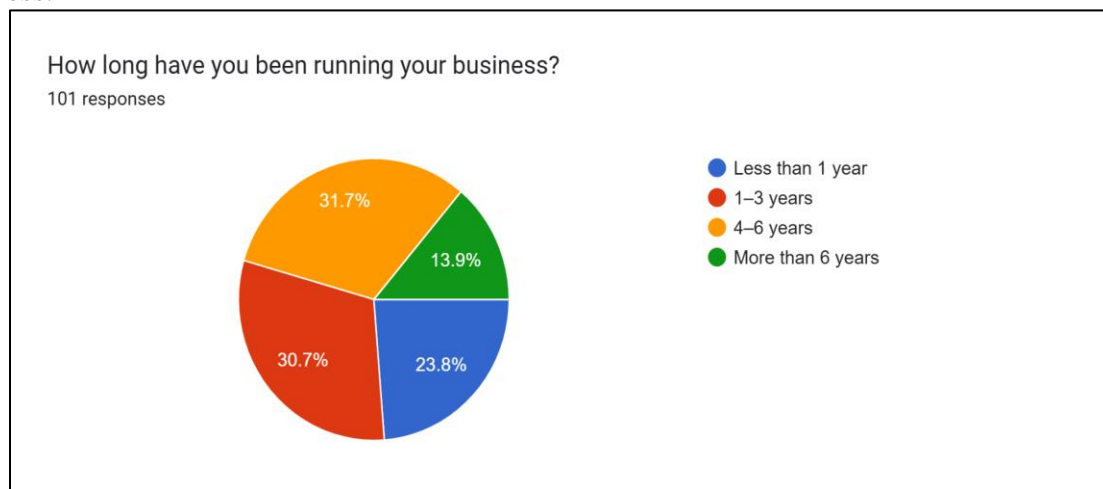
(Source: Google Form)

Based on the above pie chart, 42.6% and 26.7% of the participants are in the age group of 18-25 and 26-35. Besides this, 20.8% are in 36-45 age and the rest of them are above 46 ages.

**Figure 3: Nature of Business**

(Source: Google Form)

Among 101 participants, 33.7% and 23.8% of the participants are from retail and manufacturing businesses. Whereas, 24.8% are doing services and 17.8% are from agricultural business.

**Figure 4: Year of Experience in Business**

(Source: Google Form)

According to the upper graphical representation, 30.7% and 31.7% of the participants have more than 1-3 and 4-6 years of experience, whereas, 23.8% have less than 1 year. The rest of them have experience of more than 6 years.

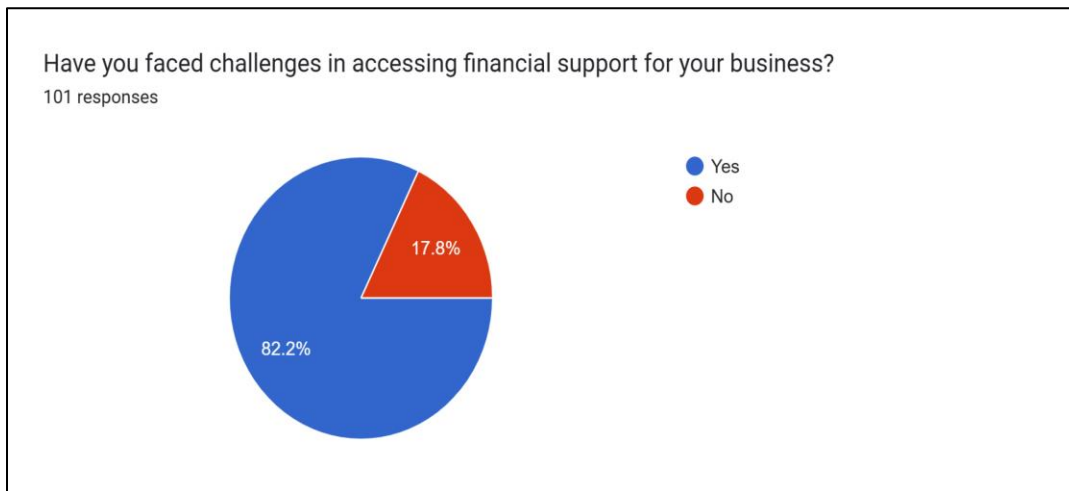


Figure 5: Challenges Faced Accessing Finance

(Source: Google Form)

The maximum number of Participants is 82.2%, who face challenges, whereas 17.8% do not face them while accessing financial support for their business.

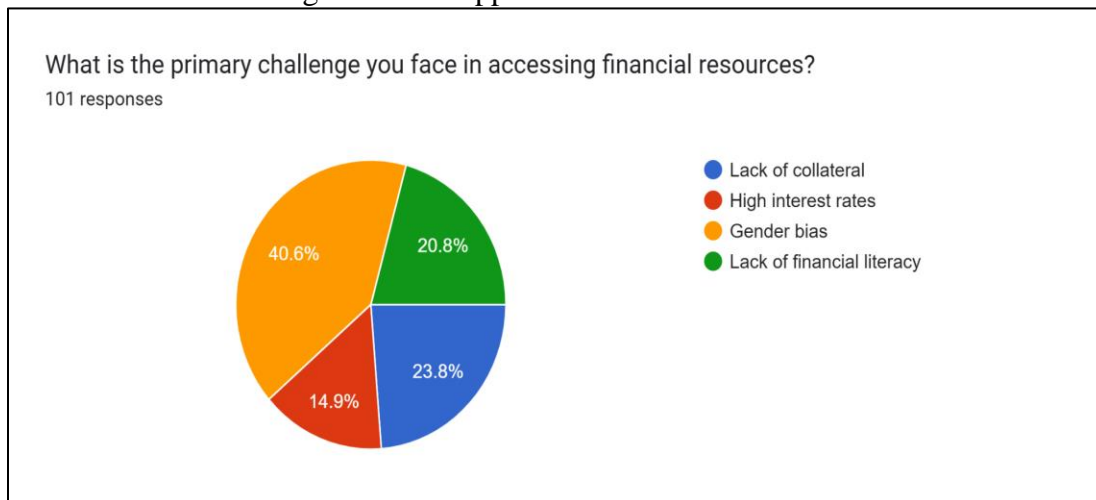


Figure 6: Facing Primary Challenges

(Source: Google Form)

Most number of the participants that is 40.6% of them are facing gender bias problems, whereas, 23.8% are facing a lack of collateral. Besides this, 14.9% and 20.8% are facing high interest rates and lack of financial literacy.

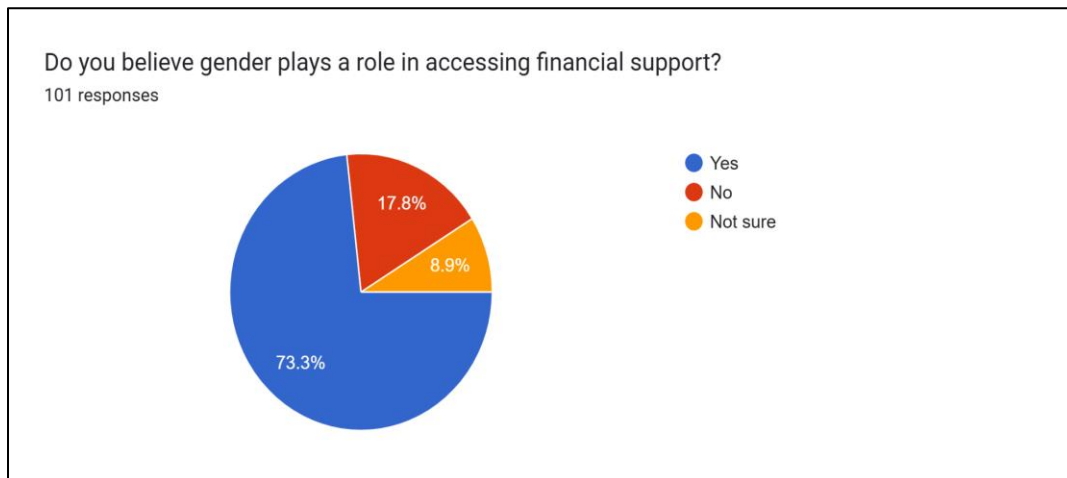


Figure 7: Role of Gender to Access Financial Support

(Source: Google Form)

The survey results show that 73.3% of them agree that gender plays an important role in accessing financial support whereas, 17.8% deny and the rest of them are not sure about this matter.

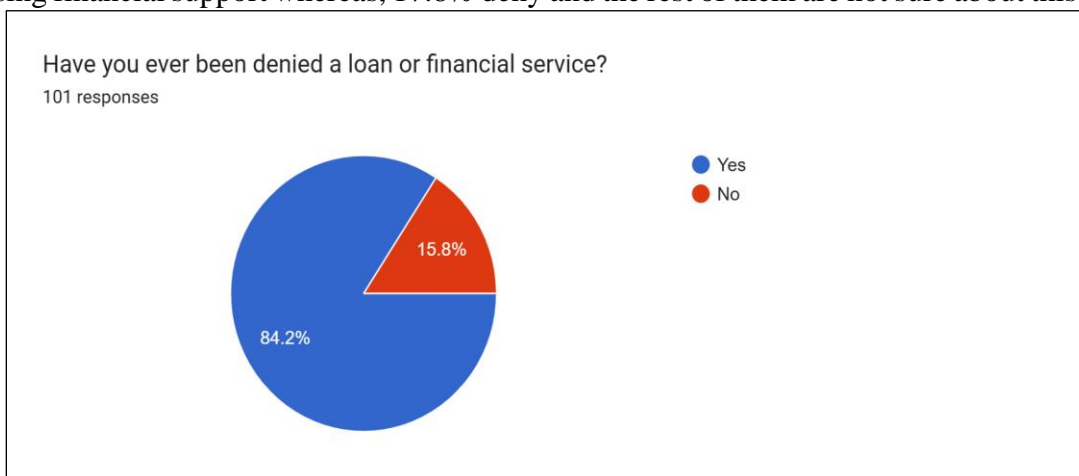


Figure 8: Denied a Financial Service

(Source: Google Form)

84.2% of the participants were denied financial loans or services, while 15.8% did not.

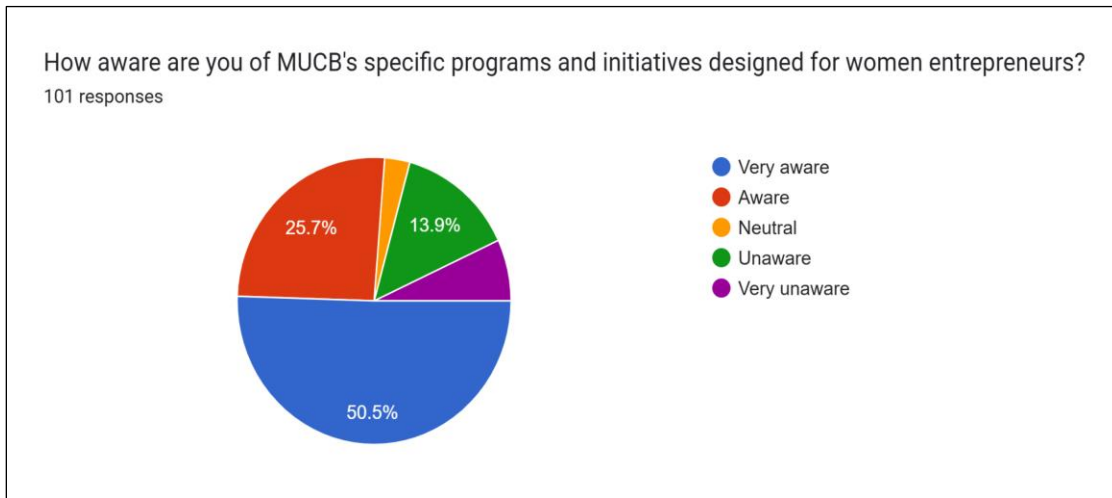


Figure 9: Awareness of MUCBs Specific Programs and Initiatives

(Source: Google Form)

50.5% and 25.7% of them are very aware and aware of the programs and initiatives of MUCBs whereas the rest of them are not aware or neutral about this fact.

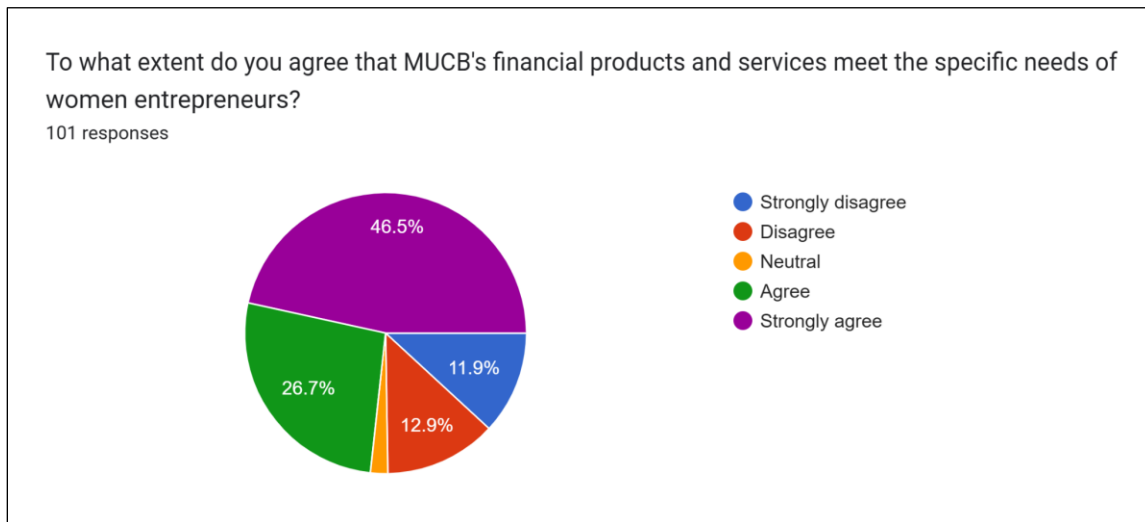


Figure 10: MUCBs Financial Products and Service

(Source: Google Form)

46.5% and 26.7% strongly agree and agree that MUCBs financial products and services meet the specific needs of women entrepreneurs. The rest of the participants are denied or neutral.

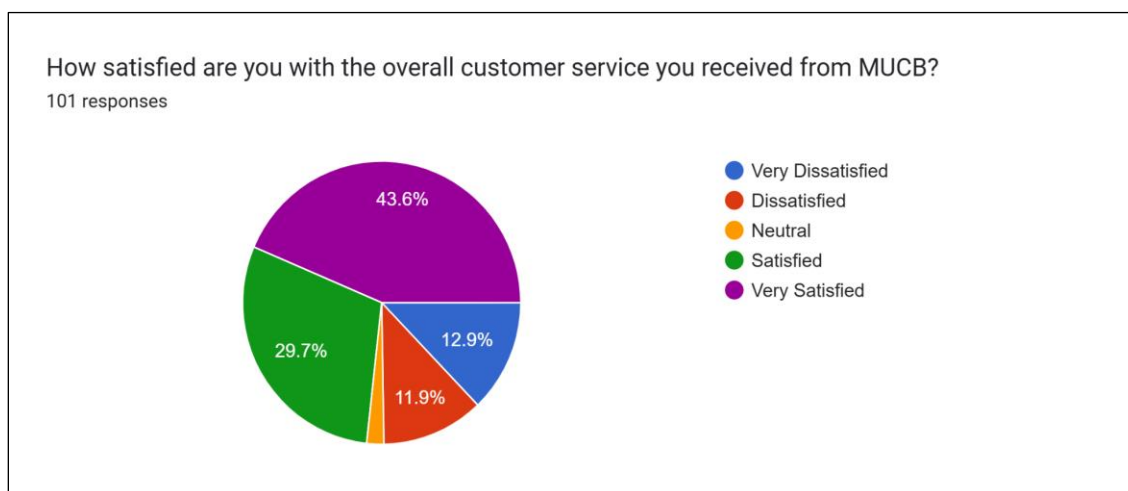


Figure 11: Satisfaction of Customer Service of MUCBs

(Source: Google Form)

The survey results show that 43.6% and 29.7% are very satisfied and satisfied with the MUCBs service, the rest of them are neutral or not satisfied.

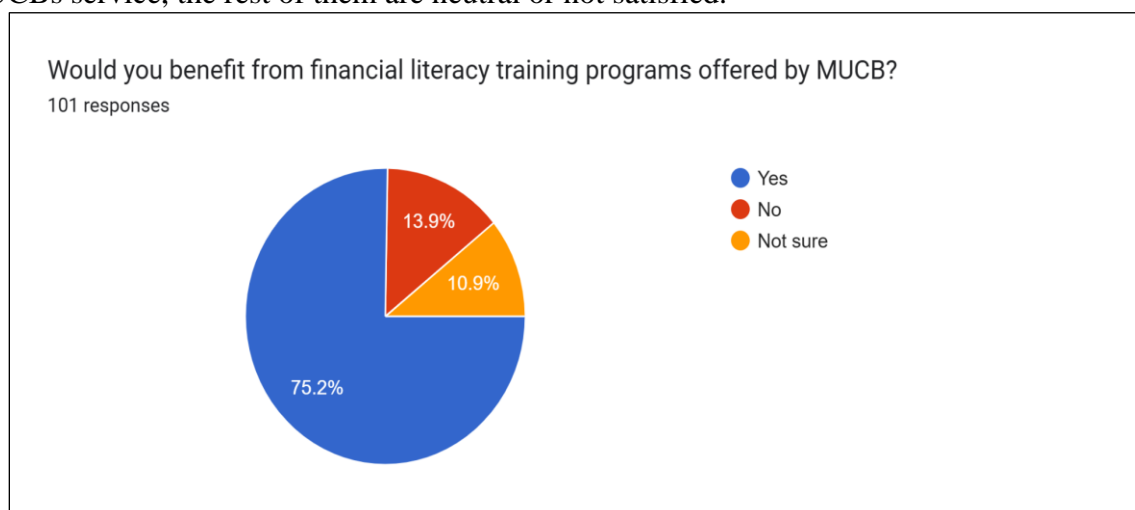


Figure 12: Benefited from Financial Literacy by MUCBs

(Source: Google Form)

It can be observed that 75.2% of the participants benefited from financial literacy and training Programs by MUCBS.

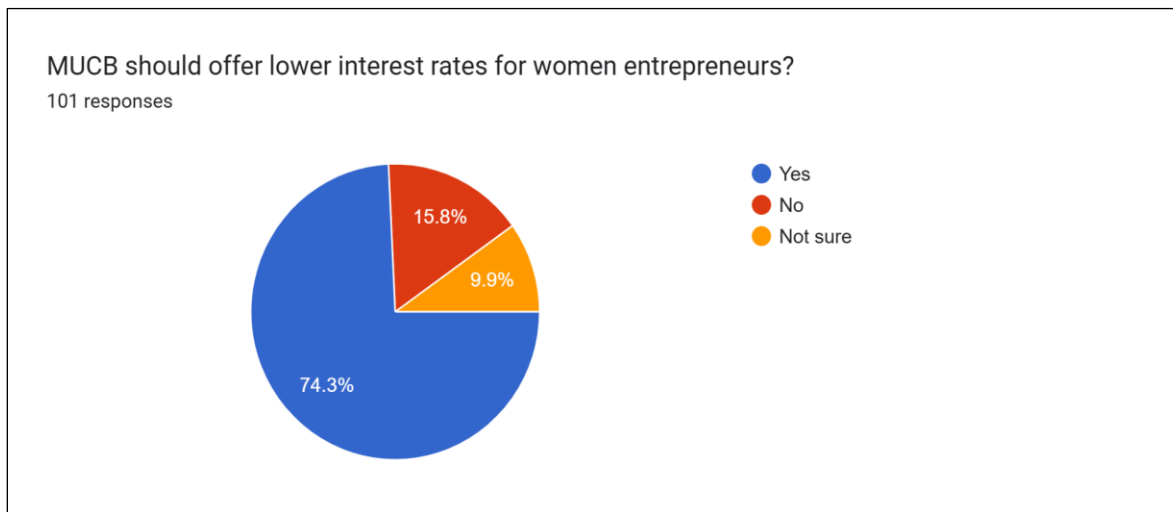


Figure 13: Low Interest Rates of MUCBs
(Source: Google Form)

74.3% of Participants Agree that MUCBs should serve low interest rates to Women entrepreneurs so that they can access the financial services more easily.

4.2 Thematic Analysis

4.2.1 Challenges Faced by Women Entrepreneurs in Accessing Financial Resources

One of the primary problems facing women entrepreneurs is financial industry gender discrimination. The males are given precedence by financial companies, thus inducing discriminatory lending for North Gujarat. These attitudes are perhaps an illustration of how unacquainted the concerned public is with female business capabilities as well as biases in female stereotypes about knowledge of finance financial resources¹⁰. As a result, women are frequently charged more in interest or are rejected for a loan, even if they possess sound business plans¹¹. Research has indicated that firms owned by women are perceived to be riskier investments, further contributing to their difficulty in raising capital like in North Gujarat.

Secondly, there is limited access to collateral which is another huge impediment to women entrepreneurs. Most women lack property or other assets that they can use as collateral for accessing loans, hence putting them at a huge disadvantage¹². This becomes worse in the developing world, where women own fewer properties. Low- and middle-income country women entrepreneurs are disproportionately shut out of formal financial markets relative to their male counterparts.

Also, women are not aware of finance and access to financial institutions, which affects their ability to navigate the complex world of finance. Since most of them may not have had formal training or education on how to manage finances, their self-confidence in getting loans or investments is eroded in North Gujarat. To counter this issue, MUCB has introduced several initiatives targeting the improvement of financial literacy for women entrepreneurs to create improved business plans and know the requirements of credit.

4.2.2 MUCB's Policies and Their Effectiveness in Addressing These Challenges

One of the major challenges to women entrepreneurs is restricted access to credit. The banks traditionally ask for collateral, which most women lack, revealing a systemic hindrance. Women-owned enterprises tend to be less likely to secure loans, as per the World Bank (2020), and women only secured 10% of total commercial loans extended. To this challenge, MUCB has responded by changing its policies to make financial products targeted towards women more

accessible¹³. An example of this is that MUCB has come up with micro-loans that are minimally documented and based on minimal collateral, specifically targeting the hurdles that most women undergo while obtaining financial assistance in North Gujarat.

Another challenge is women entrepreneurs' financial illiteracy. The majority of women do not have the same degree of education or exposure to managing finances as men. MUCB addresses this challenge by offering financial literacy programs, thereby empowering women with the knowledge to make informed financial decisions. The programs involve training in budgeting, saving, and business planning, which are essential for sustainable entrepreneurship. Recent assessments indicate that women who took part in these programs were more successful in obtaining funding and running their businesses successfully. By offering specialized financial products, promoting financial education, and providing chances for networking, MUCB not only prevents obstacles but also creates an enabling environment for women entrepreneurs to thrive¹⁴. Such measures are necessary to encourage gender equality among businesspeople so that women get an equal chance to be successful entrepreneurs.

4.2.3 Opportunities for Improving Financial Inclusivity for Women Entrepreneurs

Finance access is still a major challenge for women entrepreneurs across the world, preventing them from starting, expanding, and scaling their businesses. Although there has been tremendous progress in advancing financial inclusion, challenges continue to face women in developing economies. This research investigates women entrepreneurs' opportunities and challenges for financial accessibility from the perspective of a particular microfinance institution's (MFI) policies and practices as an example case – while the title "MUCB" appears, this is a fictional model to demonstrate what is being mentioned and not any actual institution in North Gujarat. The analysis will examine prospects for financial inclusivity improvement among women entrepreneurs from noted policies and best practices. Lending norms usually value collateral and credit history, conditions that particularly disfavour women entrepreneurs who can have limited access to formal property holding or known credit profiles. MUCB, in our scenario, can have this challenge and consequently achieve lower loan acceptance levels for women relative to men¹⁵. In addition, current lending products may not fit the particular needs and business cycles of women-owned businesses, which typically consist of smaller-scale operations and seasonal income streams. Another grave problem is financial illiteracy among women entrepreneurs. They do not have the expertise and ability to manage their money well, obtain suitable credit products, and build good credit records. MUCB policies, unless formulated to rectify this deficiency, may rather further aggravate this situation.

MUCB, or any similar MFI, could introduce special programs to increase financial literacy among women entrepreneurs. This could consist of workshops, training activities, and exposure to Web-based tools dealing with business planning, managing money, and credit building¹⁶. Group lending programs, micro-loans, and female-specific loan guarantees are other options that must be explored. Additionally, collaborations with other institutions that have a mission for empowering women can enable MUCB to serve more customers and offer additional support services in Gujarat. Lastly, continuous data gathering and analysis of gender disparities in loan applications, approvals, and payment rates can assist in more efficient policy reforms and enhancements. By positively overcoming such obstacles and taking advantage of the opportunities arising, MFIs like our case of MUCB can substantially enhance women entrepreneurs' financial access¹⁷. This ultimately results in economic development, empowerment, and building a fairer and more inclusive financial system within North Gujarat.

4.3 Discussion

Women entrepreneurs' financial inclusion continues to be an essential issue all over the world. Although progress has been made, access to funding and other financial services is still the main constraint to their development and economic activity. This essay discusses Microfinance Opportunities and Commercial Bank (MUCB) policies and practices as a case study of financial access for women entrepreneurs: challenges and opportunities in North Gujarat. MUCB, in this case, illustrates the type of obstacles most microfinance institutions and commercial banks have in addressing the particular needs of such a segment. North Gujarat's female entrepreneurs are likely to be faced with stricter lending conditions, higher collateral demands, and a lack of awareness on the part of financial institutions regarding their specialized business needs. Insufficient data creates a picture of greater risk that is equated with high interest rates or loan denial. Moreover, the majority of women entrepreneurs are in the informal economy without formal business registration and financial information. Being in this unofficial sector keeps them out of conventional banking products and services, and they turn to informal, and at times abusive, sources of credit in North Gujarat.

5. Conclusion

Investment in the challenges of women entrepreneurs in accessing finance is key to the construction of a more inclusive economy in north Gujarat. MUCB has progressed with concentrated policies, however more recommendations are needed for the establishment of sustainable change. In the future, continued advocacy, education, and embracing new technologies will be essential to the achievement of actual financial accessibility for women entrepreneurs. While challenges continue in terms of financial access to women entrepreneurs, there are considerable opportunities that can be tapped by MUCB and institutions similar to it. MUCB has to go on improving its policies in favour of women's entrepreneurship. This includes not only financial support but also training schemes that provide confidence and entrepreneurial skills to women. The issues that women face in financial accessibility can be eliminated by providing training and education to women entrepreneurs with knowledge that enables them to read and interpret financial documents, and manage budgets, and loan applications increasing confidence and capability. Furthermore, enhancing advocacy and support systems can help in creating a more inclusive, supportive and empowering financial ecosystem for women entrepreneurs in North Gujarat. Future studies could examine the long-term effects of these regulations to improve financial accessibility for women entrepreneurs.

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