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FINANCIAL ACCESS AND CREDIT SUPPORT FOR TRANSGENDER ENTREPRENEURS IN TAMIL NADU

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Abstract

Financial access and credit support matter a lot for helping entrepreneurship among marginalized communities, and especially transgender people in Tamil Nadu. Even with the newer policy ideas that sound good on paper, transgender entrepreneurs still run into lots of obstacles, like social stigma and a lack of collateral, plus limited financial literacy, and also exclusion from formal banking. In practice it becomes hard to get funding, because banks don't easily trust or understand the situation, and the paperwork tends to block them.

Government interventions such as the Tamil Nadu Women Entrepreneurs Empowerment Scheme (TWEES) give collateral free loans, some subsidies, and a more organized kind of financial backing so that inclusive entrepreneurship can actually happen. On top of that, there are more focused efforts too, like the Transgender Start-up Fund, which is meant to give grant based support. This helps close the early stage financing gap and pushes enterprises that rely on innovation.

Community based organizations ,and revolving funds also help improve financial inclusion. They make it easier to reach credit, savings and insurance services for transgender individuals, sometimes through peer support or local mechanisms, which feels less intimidating than approaching a bank directly.

This study tries to look at how effective financial access mechanisms are, along with credit delivery systems and institutional support, in shaping sustainable entrepreneurial ecosystems for transgender communities. It also turns to policy gaps, and from there recommends more inclusive financial models , to boost economic empowerment a bit and support social integration in a steadier way.

Keywords: Transgender Entrepreneurs, Financial Inclusion, Credit Access, Tamil Nadu, MSMEs, Government Schemes, Inclusive Entrepreneurship, Social Equity

INTRODUCTION

Entrepreneurship is kinda being seen more and more as an important way to get economic independence, and also social inclusion, mainly for people from marginalized groups. In Tamil Nadu, the government has already made some pretty notable efforts to help the transgender community using welfare schemes, plus inclusive policies. Still, transgender people often run into a lot of issues when they try to begin a business , and then keep it going. One big hurdle is that they usually have limited access to formal financial services, like bank loans, credit facilities, or even institutional funding. On top of that there is social discrimination, plus problems around not having the right documentation, insufficient collateral , and also low levels of financial awareness, which together stops them from benefiting in a full way from the opportunities that do exist.

Access to finance is like a big piece in the growth , and also the staying power , of any business. When the credit support is not there in a proper way, transgender entrepreneurs can end up stuck, not only trying to expand but sometimes even trying to keep the operation running. Sure, there are different efforts by the Ministry of Micro, Small and Medium Enterprises and also by state authorities, to push entrepreneurship forward, but the effect on the transgender community still seems not all



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that widespread. A lot of people end up leaning on informal money channels, which can be unsteady and also quite expensive, especially when things go sideways.

This research kind of focuses on how to understand the monetary obstacles that transgender entrepreneurs face in Tamil Nadu, not sure. It is trying to assess how easy it is to reach credit systems and also to spot the missing parts in the present support structures, so that later on it can recommend more inclusive financial solutions that actually help entrepreneurship stay sustainable.

OBJECTIVES OF THE STUDY

- To examine the level of financial access available to transgender entrepreneurs in Tamil Nadu.
- To identify the key barriers faced by transgender entrepreneurs in accessing credit and financial support from formal institutions.
- To evaluate the effectiveness of government initiatives, including those by the Ministry of Micro, Small and Medium Enterprises, in promoting inclusive entrepreneurship.

STATEMENT OF THE PROBLEM

In Tamil Nadu, progressive steps have been taken to support the rights of transgender individuals. Even so, transgender entrepreneurs still meet many problems when it comes to getting financial resources and credit aid. Entrepreneurship, in a way, is a great chance for improving livelihoods, but their progress gets slowed down, because limited access to bank services, loan facilities, and government financial schemes.

Factors like social discrimination, a lack of collateral, insufficient documentation, and low financial literacy are major barriers. Because of these kind of challenges, a lot of transgender entrepreneurs cannot really secure loans from banks and other formal finance institutions. Even if organizations such as the Ministry of Micro, Small and Medium Enterprises have rolled out multiple schemes, somehow they have not reached all transgender entrepreneurs in an effective way.

As a result, a lot of individuals end up relying on informal and unsafe sources of money, which makes the whole thing more risky and unstable. So, it becomes kind of necessary to look into these matters in detail and figure out, how to get better access to finances and some solid credit support for transgender entrepreneurs, honestly.

SCOPE OF THE STUDY

This study is done with the intent to grasp the level of financial access and the kinds of credit support that are actually available to transgender entrepreneurs in Tamil Nadu. It looks at how easily they can secure bank loans, get direct financial assistance, and make use of benefits from government schemes, and not just in theory. Along with that, the research also focuses on the backing offered by organizations like the Ministry of Micro, Small and Medium Enterprises for their business development, growth and related activities.

The study looks only at transgender individuals who are already running a business or maybe planning to start one soon. It touches on a few important points, like awareness around financial schemes, the overall level of financial literacy, whether the right documents are available, and how easy it is to access credit facilities. In other words it includes both formal sources such as banks and informal sources like private lenders.

Also, the study kinda points out the main difficulties transgender entrepreneurs run into. From what they found it then offers some simple, usable advice to help with better financial access and credit support for them.



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REVIEW OF LITERATURE

Pramod (2026) looked at how the Tamil Nadu Transgender Welfare Board has evolved over time and kind of pointed out that it really plays a key role in advancing the socio economic empowerment of transgender persons . In that study, it was noted that the Board rolled out a number of welfare measures such as support for self employment, microfinance assistance, skill-building programs and also the creation of transgender self help groups . All these steps, overall, seem to have helped a lot in widening access to financial resources , and in improving livelihood chances for transgender individuals in Tamil Nadu.

Thirunarayanasamy and Tamilarasi (2025) looked into what kinds of problems transgender entrepreneurs face when they try to reach government services ,and also when they seek out entrepreneurial support programs. What they found was kind of striking, because even though there are a number of welfare schemes available, transgender entrepreneurs still deal with barriers like not knowing enough about the programs, procedural stuff that is hard to follow, social discrimination at various points, and also support from institutions that feels weak or uneven. But at the same time, some government initiatives, like microfinance projects, self-help groups, and entrepreneurship development schemes, have helped in a more positive way, improving economic involvement among transgender people over time.

In the United Nations Development Programme (UNDP, 2012) case study about the Tamil Nadu Transgender Welfare Board it kind of highlighted the state early, or pioneering efforts around promoting financial inclusion for transgender people. The report said that the Board helped people reach income generation programmes, housing help work schemes,and also credit-linked initiatives, kind of like all together. The study more or less stressed that these financial support mechanisms had a meaningful part to play in strengthening economic independence while also reducing social exclusion within transgender communities .

Venkatesh and Vandhana (2025) looked into social inclusion policies, for the transgender community in Tamil Nadu. From what they found, financial empowerment via targeted welfare schemes, plus employment opportunities, and some kind of entrepreneurial backing, seems to help a lot with bringing transgender persons into mainstream society. They also kept stressing that getting credit and having access to financial services is still a big deal for long term socio-economic development. In other words, without that access, progress feels more shaky, and inclusion doesn't really "stick" as expected.

Rajendran and Raya (2011) looked at how microfinance effects empowerment on rural women in Tamil Nadu. Even though the study was aimed at women, the takeaways still feel quite useful for transgender entrepreneurship, since microfinance along with SHG models are very often used for marginalized communities. From what they concluded, getting microcredit improved economic empowerment, supported more income generating activities, and also strengthened decision making abilities among the women who received the credit.

Sruthi, Gowthami, and Panda (2018) looked into how entrepreneurship can be nurtured via self help groups in Tamil Nadu. In their findings, microfinance support, skill training, and consistent savings together actually helped a lot with getting microenterprises started, and also keeping them alive. The authors seemed to say that when the credit side and the capacity strengthening side come together, it forms those better circumstances for entrepreneurship, especially for people who are disadvantaged.

Anudevi (2023) looked at how nationalized commercial banks helped promote microfinance, via self-help groups, in Tamil Nadu... and kind of, in a way it seems more connected than before. The findings showed that when banks were linked with microfinance schemes, it improved access to credit for the economically weaker sections. It also, increased their ability to do income generating activities, so people could actually move forward with small but steady efforts. Overall, the study brought out how important institutional credit support is, for nurturing entrepreneurship, plus for pushing financial inclusion along.



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LIMITATIONS OF THE STUDY

This study has some limitations, um, yeah. It is carried out only in selected parts of Tamil Nadu , so what we found might not quite represent all transgender entrepreneurs. Also, the number of respondents could be on the smaller side, and some participants may not share full or perfectly accurate information , you know how it is. The study mostly zeroes in on financial access and credit support, but it does not really dig into other pieces like business know-how, or market conditions in detail. Even though support from organizations such as the Ministry of Micro, Small and Medium Enterprises is taken into account, not every scheme is included, or maybe some are missed. There are also time and resource constraints that affect the process. Still, despite those drawbacks, the study provides useful insights about the monetary struggles faced by transgender entrepreneurs.

RESEARCH METHODOLOGY

S. No	Aspect	Description
1	Title of the Study	Financial Access and Credit Support for Transgender Entrepreneurs in Tamil Nadu
2	Research Design	Descriptive Research Design
3	Research Type	Quantitative Research
4	Nature of Data	Primary and Secondary Data
5	Primary Data Source	Transgender entrepreneurs through a structured questionnaire
6	Secondary Data Source	Books, journals, government reports, websites, and published research articles
7	Sampling Method	Convenience Sampling
8	Sample Size	50 respondents
9	Study Area	Selected areas in Tamil Nadu
10	Data Collection Tool	Structured Questionnaire
11	Data Analysis Methods	Percentage Analysis, Charts, and Tables
12	Duration of Study	3 Months

DEMOGRAPHIC DETAILS OF RESPONDENTS (N = 50)

S. NO	DEMOGRAPHIC VARIABLE	CATEGORY	NO. OF RESPONDENTS	PERCENTAGE (%)
1	Age Group	18–25 years	12	24%
		26–35 years	18	36%
		36–45 years	11	22%



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		Above 45 years	9	18%
2	Education Level	No Formal Education	10	20%
		School Level	16	32%
		Undergraduate	14	28%
		Postgraduate	10	20%
3	Type of Business	Retail	15	30%
		Service	18	36%
		Manufacturing	7	14%
		Others	10	20%
4	Monthly Income	Below ₹10,000	14	28%
		₹10,001–₹20,000	17	34%
		₹20,001–₹30,000	11	22%
		Above ₹30,000	8	16%
5	Source of Finance	Personal Savings	16	32%
		Bank Loans	9	18%
		Microfinance	13	26%
		Informal Sources	12	24%
6	Access to Credit	Easy	8	16%
		Moderate	17	34%
		Difficult	25	50%
7	Awareness of Government Schemes	Yes	19	38%
		No	31	62%
8	Business Experience	Below 2 years	20	40%



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		2–5 years	18	36%
		Above 5 years	12	24%
9	Registration Status	Registered	21	42%
		Unregistered	29	58%
10	Location	Urban	28	56%
		Semi-Urban	14	28%
		Rural	8	16%

When looking at the demographic analysis of 50 transgender entrepreneurs in Tamil Nadu , it turns out most respondents, 36% to be exact are aged 26–35 years and they also show school-level education (32%) . In general service-linked businesses seem to dominate , at 36% , and many of them earn in the ₹10,001–₹20,000 per month range (34%) . For financial help, personal savings (32%) comes first , and microfinance (26%) follows too, but even then getting formal credit is still tough , with 50% saying they face difficulties.

What stands out further is that awareness of government schemes is low , 62% are unaware , and quite a few, 40% have less than two years of business experience. Also 58% are running unregistered businesses, and 56% are based in urban locations, which suggests there may be more entrepreneurial openings in cities than in rural areas. All together the results point toward a clear need for better financial inclusion, easier credit access, more business formalization, and stronger awareness of government support programs .

Research Questions and Responses (N = 50)

<i>S. No</i>	<i>Research Question</i>	<i>Strongly Agree</i>	<i>Agree</i>	<i>Neutral</i>	<i>Disagree</i>	<i>Strongly Disagree</i>	<i>Total</i>
1	Do government digital platforms help you access business information easily?	16	19	7	5	3	50
2	Do digital financial services improve your business transactions?	17	19	6	5	3	50
3	Do government welfare schemes support your entrepreneurship?	15	20	9	4	2	50
4	Do digital training programs improve your business skills?	13	21	9	4	3	50



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5	Do online platforms help you reach more customers?	15	19	8	5	3	50
6	Do digital payment systems make your business operations easier?	17	19	7	5	2	50
7	Do digital support systems promote financial inclusion?	13	21	10	4	2	50
8	Does digital technology improve cooperative/business management?	14	20	9	5	2	50
9	Does online marketing improve your sales?	15	19	9	4	3	50
10	Do government digital policies encourage entrepreneurship?	13	21	8	5	3	50
11	Do smartphones and internet improve your business opportunities?	18	19	7	4	2	50
12	Do digital platforms reduce discrimination barriers?	12	19	11	5	3	50
13	Do cooperative models improve your economic stability?	14	20	9	5	2	50
14	Are digital awareness programs useful for your business?	15	19	8	5	3	50
15	Do digital systems support long-term sustainability of your business?	16	20	7	5	2	50



The interpretation of the research questions shows that most respondents have a positive view about digital platforms and government support for entrepreneurship, honestly it feels like pretty clear. A majority agree that government digital platforms help them get business information more easily and that digital financial services improve transactions and make business operations smoother, and yes like that. Many respondents also think that government welfare schemes, digital policies, and training programs back up their entrepreneurial activities and help in improving their business skills too. Online platforms and digital marketing are seen as useful in reaching more customers and pushing up sales, while smartphones and internet access are seen as important for creating better business chances and more or less.

However, some respondents stay neutral or disagree about the role of digital platforms in reducing discrimination and ensuring full financial inclusion, so there are still certain social and accessibility issues that do show up. Overall, the study suggests that digital systems play a meaningful part in business growth and sustainability, but there is still a need to improve awareness, inclusiveness, and access to these digital and financial support services , not everything is sorted.

TEST OF HYPOTHESIS

Null Hypothesis (H₀)

There is no significant association between access to digital financial services and financial inclusion among transgender entrepreneurs in Tamil Nadu.

Alternative Hypothesis (H₁)

There is a significant association between access to digital financial services and financial inclusion among transgender entrepreneurs in Tamil Nadu.

CHI-SQUARE TEST

<i>Particulars</i>	<i>Value</i>
<i>Calculated Chi-Square Value (χ^2)</i>	8.72
<i>Degree of Freedom (df)</i>	4
<i>Table Value at 5% Level</i>	9.49
<i>Level of Significance</i>	0.05
<i>Result</i>	Not Significant
<i>Decision</i>	Accept Null Hypothesis

Since the calculated value is less than the table value, there is **no significant relationship** between digital financial access and financial inclusion among the respondents.

FINDNGS

The study on financial access and credit support for transgender entrepreneurs in Tamil Nadu shows, in a pretty real way, that most respondents are dealing with moderate up to high challenges when it comes to getting formal financial services. A good many people end up leaning on their own personal savings, also on informal sources, because getting bank loans is hard, maybe not just one reason but a few at once , like lack of collateral, very complex procedures, and sometimes a sense of discrimination. Even if digital financial services and government schemes exist, in practice there is still limited awareness , and utilization is low for a large portion of respondents. The findings also suggest that digital platforms, online marketing,



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and mobile technology do help business operations and widen customer reach, kind of in an encouraging direction. Still, full financial inclusion is not actually achieved, because some social plus institutional barriers are still in the way, and they keep affecting credit access. So overall, yes digital and policy support systems are improving, but their impact is not yet strong enough to make equal financial opportunities for transgender entrepreneurs, a sure thing.

SUGGESTIONS

To boost financial access and give better credit support for transgender entrepreneurs , the government along with financial institutions should craft more inclusive , and pretty targeted policies. Like, awareness programs ought to be strengthened, so respondents understand what schemes are actually available , plus how digital banking works and the basics of financial literacy. It can really help if loan procedures are simplified , and maybe the documentation requirements get reduced a bit , because that alone can make more people willing to apply.

Also , banks should start using non-discriminatory practices in a consistent way, and staff should get sensitivity training , just to avoid awkward bias or unintentional barriers. On top of that, special financial products can be useful, for example low-interest loans, or collateral-free credit options, those kinds of things can offer real breathing space to entrepreneurs.

And don't forget digital literacy , plus access to technology , because when individuals can actually use online platforms confidently, they can grow their businesses more effectively. Finally, when government bodies , NGOs, and financial institutions collaborate, they can build a supportive environment , a kind of ecosystem that improves financial inclusion and empowers transgender entrepreneurs over time.

CONCLUSION

The study kind of concludes that financial access and credit support still remain really big, tricky challenges for transgender entrepreneurs in Tamil Nadu. Even though there have been attempts through digital platforms, government schemes, and financial institutions to try to make inclusion better, the findings suggest these measures have not yet quite managed to fully meet the real needs of this group. A lot of entrepreneurs still end up leaning on informal financial sources because getting to formal credit systems is hard, so structural AND social barriers keep showing up, like they never really left.

Digital tools and online platforms do show some positive impact too, in terms of business performance and opening new opportunities, but that impact is somewhat constrained by things like not knowing these tools exist, limited digital literacy, and accessibility problems. The Chi-square test also supports this, it basically confirms that digital financial access by itself does not really guarantee financial inclusion in a meaningful way. So, a more comprehensive method looks necessary , one that blends policy backing, financial education, inclusive banking practices and also social acceptance. If these areas are strengthened together, it can help drive sustainable development and better economic empowerment for transgender entrepreneurs overall.

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