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Original Article

A Study on the Udyogini Scheme and Its Impact on Women Entrepreneurs

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Abstract

This study highlights the impact of a public initiative aimed at advancing the economic engagement of emerging women-led enterprises. The initiative offers low-interest financial support along with advisory services and skills-based training to promote sustainable business activity. Primary data was collected from 150 participants using a structured questionnaire and analysed through statistical methods including ANOVA, t-tests, and chi-square tests. The analysis examines how demographic variables influence the challenges faced during participation. Respondents highlighted easy eligibility norms and subsidized loans as key enablers, while limited awareness and procedural complexities emerged as notable constraints. The program has contributed to enhanced income generation and personal development for many beneficiaries. The study recommends expanding digital access, simplifying administrative processes, and fostering institutional collaboration to maximize the scheme's outreach and effectiveness.

Keywords: *Inclusion, access to finance, capability building, socio-economic mobility, program evaluation*

Introduction

The Udyogini Scheme was launched by the Central Government in 1997 to support women entrepreneurs. It aimed at promoting and supporting women entrepreneurs by providing financial assistance, training, and skill development opportunities. The scheme is specifically designed for women between the ages of 18 to 45 years, ensuring that young and middle-aged women get access to financial resources. Under this scheme, the loan amount starts from ₹1 lakh and goes up to ₹3 lakhs. The Udyogini Scheme offers subsidized loans to women entrepreneurs for starting or expanding their businesses across various sectors, including agriculture, retail, manufacturing, and small-scale industries. By reducing financial constraints and offering support mechanisms, the scheme seeks to enhance women's participation in economic activities and encourage sustainable business ventures. Moreover, it fosters social empowerment by boosting confidence, decision making abilities, and overall economic stability among women. This study seeks to evaluate the impact of the Udyogini Scheme on women entrepreneurs by examining its role in fostering business growth, increasing income levels, and improving overall quality of life. The research will analyse how the scheme has contributed to empowering women financially and socially, enabling them to establish and sustain successful businesses. By assessing the experiences of beneficiaries, the study aims to identify the key benefits they have received, as well as the challenges they continue to face in accessing financial assistance, training, and support. Additionally, the research will highlight areas for improvement in the implementation of the scheme, offering policy recommendations to enhance its effectiveness. Through a comprehensive evaluation, this study will provide valuable insights into the significance of government-led financial initiatives in promoting women's entrepreneurship. Ultimately, understanding the impact of the Udyogini Scheme will help formulate strategies that strengthen women-led businesses, promote self-reliance, and contribute to inclusive economic development across India.

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Statement Of The Problem

Women entrepreneurs play a crucial role in economic growth and social development, yet they face numerous challenges in starting and sustaining businesses. However, despite these provisions, many women, especially in rural and marginalized communities, struggle to access the scheme's benefits due to lack of awareness, complex loan application processes, and insufficient financial literacy. Additionally, bureaucratic delays, high collateral demands by some financial institutions, and inadequate support systems create further obstacles. Many women entrepreneurs also face social and cultural restrictions that discourage them from taking business loans or making independent financial decisions. This study evaluates the impact of the Udyogini Scheme on women entrepreneurs, assessing its role in business growth, income generation, and empowerment. It identifies gaps and challenges in implementation and suggests policy improvements to enhance access to financial assistance and business support. By analysing beneficiaries' experiences, the research provides insights into the effectiveness of government financial initiatives in promoting women's entrepreneurship and economic independence in India.

Scope Of The Study

This study aims to assess the effectiveness of the Udyogini Scheme in empowering women entrepreneurs by examining its impact on their business development, financial stability, and social progress. It will analyse how the scheme has contributed to increasing entrepreneurial opportunities, enhancing economic self-sufficiency, and promoting inclusive growth. The research will highlight the extent to which financial aid, skill training, and mentorship under the scheme have enabled women to establish and sustain enterprises across different sectors. The findings will help policymakers and financial institutions enhance the scheme's implementation, ensuring wider outreach and better support mechanisms. The study will also offer recommendations to strengthen training programs, simplify application procedures, and improve post-loan assistance. Ultimately, the research will contribute to the development of strategic measures that foster self-reliant women entrepreneurs, promoting long-term economic and social transformation.

Objectives Of The Study

1. To analyse the factors influencing women entrepreneurs towards Udyogini Scheme.
2. To identify the level of satisfaction among women entrepreneurs in Udyogini Scheme.

Methodology Of The Study

This study explores the impact of the Udyogini Scheme on women entrepreneurs, utilizing both primary and secondary data sources. Primary data were collected through a structured questionnaire survey administered to women beneficiaries of the scheme in Coimbatore city. Data collection was conducted over a three-month period from December 2024 to February 2025. Secondary data were gathered from relevant journals, articles, and other credible sources. A purposive sampling technique was adopted to ensure the inclusion of relevant respondents who have directly benefitted from the Udyogini Scheme. The total sample size consisted of 150 respondents, selected for their representativeness in terms of age, education, and type of business.

Review Of Literature

Shital Kale and Dr. Rajesh Kumar Pandey (2024) The study is about "A Study on Women Entrepreneurship Development in Indian Context". The study used both primary and secondary data, employing survey and interview methods with 111 women respondents and case studies of five real-life women entrepreneurs. Descriptive and exploratory research techniques were applied for data analysis. The findings highlighted financial constraints, lack of family support, and gender bias as key challenges, while entrepreneurial passion, innovation, and risk-taking were major motivators. The study proposed the SHITAL model, emphasizing skill development, holistic growth, and mentorship to enhance women's entrepreneurial success. Suggestions included improving financial literacy, providing government support, and encouraging self-initiative to empower women entrepreneurs.

Dr. Renukamba P.C. (2023) This study demonstrates "A Study of the Socio-Economic Profile of the Beneficiaries Under Udyogini Scheme with Special Reference to India," Analyses the impact of the scheme on women entrepreneurs in Ramnagar District, Karnataka. The objective is to assess the social and economic status of beneficiaries, fund distribution, and employment generation. The study is based on secondary data from journals, newsletters, and government reports. Statistical tools such as mean, percentage analysis, and standard deviation were used. Findings indicate that 46.72% of beneficiaries experienced improved employment and income, with an average annual income of ₹51,485. Key challenges include difficulty in loan repayment and high-interest rates. The study suggests increasing subsidies, raising loan amounts, and enhancing awareness through training programs and mass media campaigns to improve accessibility and effectiveness of the scheme.

Dr. Shabab Ahmed Rizvi (2022) This study depicts "To Study the Awareness on Udyogini Scheme". The study aims to understand the role of the Udyogini Scheme in empowering women through micro-enterprises. A survey-based research methodology was employed, with primary data collected from 110 respondents across Panvel, Kalyan, Dombivli, and Khopoli using a questionnaire. Simple statistical tools were used for analysis. The findings reveal that 8 the scheme significantly improved income levels, financial independence, and social status, with a rise in income from below ₹1,000 to above ₹3,000 for many beneficiaries. Social participation, decision-making power, and access to

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education and healthcare also improved. The study suggests increasing awareness through mass media and local institutions to ensure more women benefit from the scheme. Strengthening financial support and training programs can further enhance its effectiveness.

Pankaj Shrivastav and Nidhi Shrivastava (2018) This research is designated as "Mid-Term Evaluation: Misereor-Funded Project of Udyogini," The objective is to assess improvements in income, livelihood opportunities, and gender empowerment through lac and poultry value chains. The study employs a two-stage cluster sampling technique, covering 501 treatment respondents and 54 comparison respondents. Statistical tools such as percentage analysis, income tracking, and qualitative assessments were used. Findings reveal a 58.6% increase in income, with many women shifting from lac collection to lac cultivation. Major challenges include price volatility, lack of financial support, and limited awareness. The study suggests strengthening training programs, enhancing market linkages, and integrating men into the program to ensure sustainable economic empowerment.

Pradeep Kumar Panda (2017) This study traced "Inclusion and Economic Empowerment of Rural-Tribal Women in Lac Value Chain and Market: A Study on Udyogini," The objective is to analyse economic inclusion and market participation of marginalized women. The study follows a case study approach with purposive sampling, covering 8,180 women across 185 villages. Data is analysed using qualitative assessments and secondary sources. Findings reveal that improved training, access to markets, and entrepreneurship skills led to increased incomes and financial independence. Women spent earnings primarily on education and health, enhancing social mobility. Challenges include limited access to resources, market barriers, and socio-cultural restrictions. The study suggests strengthening institutional support, expanding training programs, and ensuring market linkages to sustain women's economic empowerment.

V. Sushma et al. (2016) This study shows that "Impact of Udyogini Scheme on Employment Generation of Women Beneficiaries". The study aimed to analyse the impact of the Udyogini Scheme on employment generation for rural women. The research employed a purposive random sampling technique, selecting 120 beneficiaries from four taluks in Karnataka. Statistical tools such as mean, percentage, zero order correlation test, and paired 't' test were used. Findings revealed 46.72% increase in employment man-days post-enrolment, from 546 to 745 man-days annually, a statistically significant improvement. The scheme proved instrumental in enhancing self-employment opportunities through micro-enterprises. Major suggestions included increasing awareness of the scheme through mass media, strengthening local institutional support, and improving access to financial resources for better implementation and sustainability. The review supports that government interventions in micro-enterprise development can significantly impact women's employment and economic empowerment.

Findings Of The Study

Challenges Faced In Accessing The Udyogini Scheme– Descriptive Statistics

Challenges	N	Minimum	Maximum	Mean	Std. Deviation
Application process	150	1	5	1.54	1.156
Scheme in remote areas	150	1	5	2.32	.854
Required document	150	1	5	2.87	.830
Support and guidance	150	1	5	2.61	1.341
Approval and disbursement	150	1	5	2.91	1.371
Friendliness	**150**	**1**	**5**	**3.07**	**1.171**
Overall satisfaction	150	1	5	2.91	1.543
Total	**150**	**1**	**5**	**2.61**	**1.181**

Source: computed data

Intrepretation:

From the above table, it can be interpreted that challenges faced in accessing the udyogini scheme by the respondents has the highest mean score, the mean value is obtained for the challenges is friendliness (3.07), overall satisfaction (2.91), approval and disbursement (2.91), required document (2.87), support and guidance (2.61), scheme in remote areas.

Majority of respondents gave the highest mean score to friendliness.

Relationship Between Demographic Variable And Study Variable – Chi Square

Ho: "There is no significant relationship between the age and motivated you to apply for udyogini scheme.

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Relationship Between Age And Motivated You To Apply For Udyogini Scheme

Age	Motivated you to apply for udyogini scheme				Total	P value	sig	S/NS
	Low interest loan	Business expansion support	Training & mentorship	Encouragement from family/society				
18-25 years	17	18	11	6	52	12.980	0.043	S
26-35 years	**33**	**13**	**9**	**3**	**58**			
36-45 years	10	15	12	3	40			
Total	**60**	**46**	**32**	**12**	**150**			

Source: computed data

Intrepretation:

From the above-mentioned table, it has been noted that respondents from different age groups have varied motivations for applying to the Udyogini scheme. Statistical analysis indicates a substantial, statistically significant correlation between age and the motivating factors behind applying for the scheme. With a p-value of 0.043, which is less than the significance level of 0.05, the hypothesis suggesting a link between age and motivation for applying to the Udyogini scheme is statistically significant**.**

Demographic Factor Vs The Study Variable – Independent Sample T – Test

Ho: "There is no significant difference in the Marital status, Family type and Area of residence to challenges faced in accessing the udyogini scheme".

Demographic Factor Vs The Study Variable

Factor	Classification	No. of. respondents	Mean	Std. deviation	t	Sig.	S/NS
Marital status	Married	88	2.7792	.84665	4.903	.028	S
	Unmarried	62	2.3571	.75803			
Family type	Nuclear family	98	2.6983	.84798	1.958	0.164	NS
	Joint family	52	2.4286	.78807			
Area of residence	Urban	65	2.3495	.76057	1.670	0.198	NS
	Rural	85	2.8000	.84089			

Source: computed data NS-not significant S-significant

Intrepretation:

The T-test result table depicts that at 5% level of significance, the significant value of Marital status and Challenges faced in accessing the udyogini scheme is **P=.028.** Hence, the value is lesser than 5% level of significance. **the null hypothesis is rejected.** the result shows that there exists significant difference in the marital status and challenges faced by udyogini scheme.

The T-test result table inferred that at 5% level of significance, the significant value of Family type and Challenges faced in accessing the udyogini scheme is **P= 0.164**. Hence, the value is greater than 5% level of significance. **the null hypothesis is accepted.** the result shows that there exists significant difference in the Family type and challenges faced by udyogini scheme.

The T-test result table inferred that at 5% level of significance, the significant value of Area of residence and Challenges faced in accessing the udyogini scheme is **P= 0.198.** Hence, the value is greater than 5% level of significance. **the null hypothesis is accepted.** the result shows that there exists significant difference in the Area of residence and challenges faced by udyogini scheme.

Aspects For Claiming Udyogini Scheme - Friedman Ranking Test

Aspects For Claiming Udyogini Scheme

S.NO	Satisfying	Mean Rank	Rank	N	150
1	**Simple Eligible Criteria**	**1.78**	**I**	Chi-square	345.478
2	Easy Documentation process	2.43	II		
3	Fast Loan processing	3.28	III	df	5
4	Low interest Rates	3.79	IV		
5	Availability Loan in rural areas	4.60	V	Asymp. Sig.	001
6	Training programs	5.12	VI		

Sources: computed data

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Intrepretation

From the above table, Simple Eligible Criteria ranks 1st Rank with a score of 1.78, followed by Easy Documentation Process in 2st Rank with a score of 2.43. Fast Loan Processing is 3rd Rank with a score of 3.28, Low Interest Rates are in 4st Rank with a score of 3.79. Availability of Loans in Rural Areas is 5st Rank with a score of 4.60, and Training Programs are placed 6st Rank a score of 5.12.

Suggestions

- The application process scored the lowest, indicating that simplifying the process could encourage more women to apply. Implementing a user-friendly online application system would be beneficial.
- The scheme's accessibility in remote areas is a challenge with a low score. Expanding outreach programs and setting up local help centres could improve participation.
- Financial literacy programs should be introduced, as many respondents struggle with understanding financial terms and loan management.
- Training programs in business management should be enhanced to help women entrepreneurs effectively utilize the scheme benefits.
- Public awareness campaigns should be conducted to inform rural women about the scheme, eligibility criteria, and application process.

Conclusion

The analysis of the Udyogini Scheme reveals key insights into its impact on women entrepreneurs and the challenges they face. The majority of respondents belong to the age group of 26-35 years, with a significant number being married and from nuclear families. Most women engage in retail trade, followed by the service sector, indicating the scheme's influence in these areas. While the scheme has led to increased income for many, challenges such as limited access to information, documentation issues, and long processing times remain significant barriers. The lowest mean scores indicate difficulties in the application process, support, and guidance, highlighting the need for process simplification and better assistance. The findings also suggest that women require more financial literacy training and mentorship programs to maximize the benefits of the scheme. Furthermore, the study emphasizes the need for expanding awareness campaigns, improving loan disbursement efficiency, and making the scheme more accessible in rural areas. Strengthening digital and financial inclusion can further empower women entrepreneurs. Overall, while the Udyogini Scheme has positively impacted businesses, addressing these challenges will enhance its effectiveness and reach.

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