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An Assessment of the Challenges Faced By Rural Women Entrepreneurs and the Effectiveness of Institutional Support Systems in Varanasi District, Uttar Pradesh, India

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A B S T R A C T

The present study assessed the major challenges faced by rural women entrepreneurs and evaluated the effectiveness of institutional support systems in Varanasi district of Uttar Pradesh. A purposive-cum-random sampling technique was adopted to select 60 women entrepreneurs engaged in three prominent rural enterprises, namely Banarasi Silk Weaving, Gulabi Meenakari and Karonda Pickle production. Primary data were collected through a pre-tested structured interview schedule, while secondary information was obtained from official reports and published sources. The collected data were analysed using percentage analysis, Garrett Ranking Technique, Likert Scale analysis and arithmetic mean. The findings revealed that the double burden of household responsibilities and entrepreneurial activities constituted the most severe challenge, followed by restricted mobility, inadequate digital literacy and insufficient access to start-up capital. Garrett ranking further established that financial and credit constraints, socio-cultural restrictions and inadequate entrepreneurial skills were the principal barriers limiting enterprise growth. The study also observed that sixty per cent of the respondents were members of Self-Help Groups, indicating their significant role in facilitating institutional credit and development support. Although awareness of major government schemes, particularly the National Rural Livelihoods Mission (NRLM)/Aajeevika and PM-KISAN, was relatively high, the actual utilisation of these programmes remained considerably lower, reflecting an implementation gap between awareness and accessibility. Among the various institutional support mechanisms, Self-Help Group membership emerged as the most effective intervention in improving financial access, whereas government training programmes and NRLM support demonstrated moderate effectiveness. The study concluded that strengthening financial inclusion, entrepreneurial capacity-building, digital literacy, market integration and institutional outreach, alongside simplifying access to government support schemes, would substantially enhance the sustainability, competitiveness and socio-economic empowerment of rural women entrepreneurs, thereby contributing to inclusive rural development and local economic transformation.

Introduction

Women's entrepreneurship had increasingly been recognised as a vital instrument for promoting inclusive economic growth, reducing rural poverty and strengthening social development in developing economies. In India, rural women had made significant contributions to agricultural and non-agricultural enterprises through activities such as food processing, handicrafts, livestock rearing, tailoring, retail trading and other micro-enterprises, thereby enhancing household livelihoods and supporting local economic development. Despite their growing participation, rural women entrepreneurs had continued to encounter numerous socio-economic, financial and institutional challenges that had constrained the establishment, expansion and sustainability of their enterprises. Limited access to formal credit, inadequate entrepreneurial and technical training, restricted ownership of productive assets, insufficient market linkages, low levels of digital literacy, poor infrastructural facilities and deeply rooted socio-cultural norms had collectively hindered their entrepreneurial advancement. Furthermore, domestic responsibilities and gender-based discrimination had reduced their capacity to participate fully in business activities and decision-making processes. In response to these constraints, various institutional support mechanisms, including government departments, financial institutions, self-help groups, cooperative organisations, non-governmental organisations and skill development programmes, had been introduced to facilitate women's entrepreneurship through financial assistance, capacity building, market promotion and policy support. However, the effectiveness of these interventions had varied considerably owing to differences in awareness, accessibility, implementation efficiency and beneficiary participation. Consequently, a systematic assessment of the challenges experienced by rural women entrepreneurs alongside the performance of institutional support systems had become essential for identifying existing gaps and improving policy outcomes. Such an assessment had provided empirical evidence regarding the extent to which institutional initiatives had addressed the diverse needs of women entrepreneurs and had promoted enterprise sustainability, economic self-reliance and social empowerment. Therefore, the present study had been undertaken to examine the principal challenges encountered by rural women entrepreneurs and to evaluate the effectiveness of institutional support systems in facilitating rural business entrepreneurship. The findings had been expected to contribute to the formulation of evidence-based policy measures and institutional strategies aimed at strengthening the entrepreneurial ecosystem for rural women and fostering sustainable rural economic development.

Materials and Methods

The selection of the district, block, villages, and respondents had been undertaken through a The methodology adopted for the selection of the district, blocks, villages, and respondents was based on a purposive-cum-random sampling technique. Varanasi district of Uttar Pradesh was selected purposively due to its high concentration of rural women engaged in traditional enterprise activities and the presence of Geographical Indication (GI)-tagged products, namely Banarasi Silk Weaving, Gulabi Meenakari, and Karonda Pickle production. Three blocks were purposively selected on the basis of the predominance of these enterprise activities. Subsequently, a complete list of villages within the selected blocks was obtained from the respective Block Development Offices, and five per cent of the villages from each selected block were randomly chosen. From the selected villages, lists of women entrepreneurs engaged in the respective enterprises were prepared using records obtained from Self-Help Group (SHG) functionaries, Gram Panchayat records, and the District Industries Centre (DIC), Varanasi. Thereafter, ten per cent of the women entrepreneurs from each selected village were randomly selected as respondents through a multi-stage stratified random sampling procedure. The respondents were further classified into three enterprise categories based on the scale of their enterprises. Primary data were collected from 60 selected women entrepreneurs through a pre-tested structured interview schedule, personal interviews, and field observations. Secondary data were obtained from published reports and records of the District Industries Centre, Block Development Offices, NABARD, DAY-NRLM, government publications, official websites, and other relevant literature. The collected data were analysed using simple percentage analysis, Garrett Ranking Technique, Likert Scale analysis and Arithmetic Mean to fulfil the objectives of the study. The data pertained to the agricultural year 2025–2026.

Analytical Tools

- **Likert Scale:** A Likert scale is a rating scale used to assess opinions, attitudes, or behaviors. To collect data, you present participants with Likert-type questions or statements and a continuum of possible responses, usually with 5 or 7 items. Each item is given a numerical score so that the data can be analysed quantitatively.

- **Arithmetic Mean** = $\sum Xi/N$
- **Garrett Ranking**: Per cent position = 100 (R_{ij}-0.5) /N_j

Results and Discussion

Table 1: Indicated that the double burden of household responsibilities and enterprise-related activities emerged as the most significant challenge experienced by rural women entrepreneurs, recording the highest overall mean scores across all enterprise groups (3.93 for Banarasi Silk, 3.80 for Meenakari, and 4.00 for Pickle). This finding suggested that balancing domestic obligations with entrepreneurial responsibilities remained the most pervasive constraint. Restricted mobility constituted the second most prominent challenge, particularly among Banarasi Silk entrepreneurs (mean = 3.80), where frequent travel to urban markets and interactions with intermediaries were essential for business operations. Furthermore, the lack of digital literacy registered comparatively high mean scores across all enterprise categories (3.50 for Banarasi Silk, 3.70 for Meenakari, and 3.20 for Pickle), highlighting the persistent digital divide that constrained women's access to digital marketing platforms, e-commerce opportunities, and government support schemes. Similarly, the lack of initial capital was identified as a major financial impediment, particularly among Pickle (mean = 3.80) and Meenakari (mean = 3.50) entrepreneurs, indicating that inadequate access to start-up finance continued to hinder enterprise development. In contrast, challenges associated with infrastructural facilities (overall mean = 2.53) and market competition (overall mean = 2.87) were perceived to be comparatively less severe, suggesting that local market accessibility and competitive pressures were not considered major constraints by the respondents.

Table 2: The findings demonstrated that financial and credit access constituted the most significant constraint across all three enterprise groups, recording the highest overall mean Garrett score of 75.3. This indicated that inadequate access to affordable institutional finance remained the foremost barrier to the growth and sustainability of rural women-owned enterprises in Varanasi. Social and cultural restrictions were identified as the second most critical challenge, with an overall mean Garrett score of 70.2, reflecting the persistence of patriarchal norms and traditional gender roles that limited women's mobility, entrepreneurial participation, and decision-making autonomy. Lack of skills and training ranked third (overall mean = 65.1), highlighting the importance of targeted capacity-building programmes to enhance entrepreneurial competencies and business management skills. Limited market access secured the fourth rank (overall mean = 63.6), indicating that difficulties in reaching wider markets continued to constrain enterprise expansion. Double domestic workload ranked fifth (overall mean = 59.9), thereby corroborating the findings obtained through the Likert scale analysis. Conversely, the digital divide (overall mean = 50.2) and poor infrastructure (overall mean = 45.2) were assigned comparatively lower ranks, suggesting that although deficiencies in digital inclusion and infrastructural facilities remained notable concerns, they were perceived to be less immediate impediments than financial limitations and socio-cultural constraints.

Table 3: The data revealed that 60.0 per cent of the respondents (n = 36) were members of Self-Help Groups (SHGs). The highest level of SHG participation was observed among Karonda Pickle entrepreneurs (70.0%), followed by Banarasi Silk entrepreneurs (60.0%) and Gulabi Meenakari entrepreneurs (50.0%). Membership of SHGs appeared to be closely associated with improved access to institutional credit and government support schemes in rural Varanasi, as the Deendayal Antyodaya Yojana–National Rural Livelihoods Mission (DAY-NRLM) primarily utilised SHGs as the principal mechanism for delivering financial assistance and developmental support. The comparatively lower level of SHG membership among women engaged in the Meenakari enterprise may be attributed to the traditional artisan family-based structure of the craft, in which informal hereditary networks have historically fulfilled functions similar to those of SHGs by facilitating access to finance, skills, and market opportunities.

Table 4: The findings indicated that the National Rural Livelihoods Mission (NRLM)/Aajeevika was the most widely recognised government scheme, with awareness levels of 90.0 per cent, 80.0 per cent, and 95.0 per cent among Banarasi Silk, Gulabi Meenakari, and Karonda Pickle entrepreneurs, respectively. This reflected the effective dissemination of information through the Self-Help Group (SHG)–DAY-NRLM network at the grassroots level. However, utilisation rates remained considerably lower than awareness levels across all

schemes, indicating the existence of a persistent implementation gap between awareness and actual access to benefits. Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) recorded the highest overall utilisation rate (53.3 per cent), which may be attributed to its Direct Benefit Transfer (DBT) mechanism and relatively simple procedural requirements. The Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME) scheme exhibited comparatively higher utilisation among Karonda Pickle entrepreneurs (35.0 per cent), reflecting its specific emphasis on food processing enterprises and the promotion of GI-tagged Karonda Pickle under the Government of Uttar Pradesh's One District One Product (ODOP) initiative. In contrast, the utilisation of the Prime Minister's Employment Generation Programme (PMEGP) and the Start-up Village Entrepreneurship Programme (SVEP) remained comparatively low, suggesting that procedural complexities and extensive documentation requirements continued to impede access to these schemes.

Table 5: The findings showed that Self-Help Group (SHG) membership was perceived as the most effective institutional support mechanism, recording the highest overall mean score of 3.50, which indicated a moderately positive perception of its role in facilitating access to financial resources and enterprise support. Among the enterprise groups, Karonda Pickle entrepreneurs reported the highest level of satisfaction with SHG-linked support (mean = 3.80), which may be attributed to the stronger integration of SHGs with enterprise development activities in the Harahua and Chiraigaon blocks.

Government training programmes received a moderate overall mean score of 3.23, with Karonda Pickle entrepreneurs again reporting comparatively higher perceived effectiveness (mean = 3.50). The effectiveness of the National Rural Livelihoods Mission (NRLM)/Aajeevika was rated moderately, with an overall mean score of 3.10. In contrast, the adequacy of guidance provided for accessing government schemes received the lowest overall mean score (2.80), thereby confirming the implementation gap identified in Table 4.3.2. Similarly, extension service support recorded a moderate overall mean score of 3.00, suggesting that although institutional outreach at the field level was available, improvements in its quality, accessibility, and consistency were required to enhance its effectiveness.

Table.1 Mean Likert Scores for Challenges Faced by Women Entrepreneurs (N=60)

S. No.	Challenge Statement	Silk Mean	Meenakari Mean	Pickle Mean	Overall Mean	Rank
1.	Lack of initial capital and start-up funds	3.20	3.50	3.80	3.50	**1**
2.	Difficulty in accessing bank loans (no collateral)	3.50	3.80	3.50	3.60	**2**
3.	High interest rates from informal money lenders	2.80	3.00	3.20	3.00	**3**
4.	Limited access to raw materials at affordable prices	3.00	3.20	3.50	3.23	**4**
5.	Lack of business / technical skills and training	3.30	3.50	3.00	3.27	**5**
6.	Restricted mobility and inability to travel alone	3.80	3.60	3.40	3.60	**6**
7.	Double burden of household duties and enterprise	4.00	3.80	4.00	3.93	**7**
8.	Lack of support / opposition from family members	3.20	3.40	3.50	3.37	**8**
9.	Lack of digital literacy and smartphone use for business	3.50	3.70	3.20	3.47	**9**
10.	Difficulty competing with male entrepreneurs	2.80	3.00	2.80	2.87	**10**
11.	Poor road connectivity and rural infrastructure	2.50	2.80	3.00	2.77	**11**
12.	**Lack of storage / cold chain facility for produce**	**2.30**	**2.50**	**3.30**	**2.70**	**12**

Table.2 Garrett Ranking Analysis of Constraints Faced by Women Entrepreneurs (N=60).

Rank	Constraint Factor	Silk Mean %	Meenakari Mean %	Pickle Mean %	Overall Mean %	Final Rank
1	Financial/Credit Access	72.5	75.0	78.5	75.3	1
2	Social & Cultural Restrictions	68.2	70.5	72.0	70.2	2
3	Lack of Skills & Training	65.0	66.8	63.5	65.1	3
4	Limited Market Access	62.5	63.2	65.0	63.6	4
5	Double Domestic Workload	58.0	60.2	61.5	59.9	5
6	Lack of Govt Support/Awareness	55.5	56.0	57.0	56.2	6
7	Digital Divide	48.2	52.5	50.0	50.2	7
8	Poor Infrastructure	42.0	45.0	48.5	45.2	8

Table.3 SHG Membership Status of Women Respondents (N=60)

S. No.	SHG Membership	Silk (n=20)	%	Meenakari (n=20)	%	Pickle (n=20)	%	Total (N=60)	%
1.	Yes	12	60.0%	10	50.0%	14	70.0%	36	**60.0%**
2.	No	8	40.0%	10	50.0%	6	30.0%	24	**40.0%**
	Total	20	100%	20	100%	20	100%	60	100%

Table.4 Distribution of Respondents by Government Scheme Awareness and Utilization (N=60).

S. No.	Scheme / Support	Silk Aware	Silk Used	Meena Aware	Meena Used	Pickle Aware	Pickle Used	Total Used
1.	NRLM / Aajeevika	18	10	16	8	19	12	**30**
2.	Pradhan Mantri Mudra Yojana (PMMY)	14	8	12	6	13	7	**21**
3.	PMEGP (Prime Minister Employment Generation)	10	5	8	4	9	4	**13**
4.	SVEP (Startup Village Entrepreneurship)	8	3	6	2	7	3	**8**
5.	PMFME (Food Processing)	6	2	4	1	12	7	**10**
6.	PM-Kisan Samman Nidhi (PMKSN)	15	12	12	9	14	11	32

Table.5 Mean Likert Scores for Effectiveness of Support Systems (N=60).

S. No.	Statement on Support System Effectiveness	Silk Mean	Meenakari Mean	Pickle Mean	Overall Mean	Rank
1.	SHG membership helped me access finance more easily	3.50	3.20	3.80	3.50	1
2.	Government training programmes improved my business skills	3.20	3.00	3.50	3.23	2
3.	NRLM/Aajeevika scheme was genuinely helpful for my enterprise	3.00	2.80	3.50	3.10	3
4.	I received adequate guidance to access government schemes	2.80	2.60	3.00	2.80	4
5.	FPO/cooperative membership improved my market access	2.50	2.30	2.80	2.53	5
6.	NGO or agricultural extension workers provided useful support	3.00	2.80	3.20	3.00	6

The study concluded that rural women entrepreneurs in Varanasi district continued to experience a combination of financial, socio-cultural, institutional and managerial constraints that adversely affected the establishment, growth and long-term sustainability of their enterprises. The findings demonstrated that the dual responsibility of managing household obligations alongside entrepreneurial activities represented the most significant challenge, reflecting the persistent influence of traditional gender roles within rural society. Financial constraints, particularly limited access to formal credit and start-up capital, emerged as the foremost barrier according to the Garrett ranking analysis, while inadequate entrepreneurial skills, restricted mobility, limited digital literacy and insufficient market linkages further constrained business expansion and competitiveness. Although awareness of several government support schemes was reasonably high, the comparatively lower utilisation of these programmes indicated the existence of considerable procedural, informational and administrative barriers that limited effective access to institutional benefits. Self-Help Groups proved to be the most effective institutional mechanism by facilitating financial inclusion, enhancing access to government schemes and strengthening entrepreneurial confidence among rural women, particularly those engaged in Karonda Pickle production. Government training programmes and the National Rural Livelihoods Mission also contributed positively towards enterprise development; however, their overall effectiveness remained moderate due to inadequate field-level guidance, limited outreach and inconsistencies in implementation. The findings therefore suggested that existing institutional interventions had only partially addressed the multidimensional needs of rural women entrepreneurs. Greater emphasis should consequently be placed on improving access to affordable institutional finance, expanding entrepreneurship development and digital literacy programmes, strengthening market infrastructure and value chain integration, simplifying procedural requirements for government schemes, and enhancing coordination among government departments, financial institutions, Self-Help Groups and extension agencies. Such integrated policy interventions would not only strengthen enterprise performance and economic resilience but would also promote women's socio-economic empowerment, increase rural employment opportunities and contribute significantly towards achieving inclusive, sustainable and gender-responsive rural development in Uttar Pradesh.

Author Contributions

Saloni Singh: Investigation, formal analysis, writing—original draft. Victoria Amit Masih: Validation, methodology, writing—reviewing.

Data Availability

The datasets generated during and/or analyzed during the current study are available from the corresponding author on reasonable request.

Declarations

Ethical Approval Not applicable.

Consent to Participate Not applicable.

Consent to Publish Not applicable.

Conflict of Interest The authors declare no competing interests.

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