

Government Schemes and Institutional Support for Women Entrepreneurs in India: Effectiveness and Challenges

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Abstract

Women entrepreneurs are increasingly crucial to India's economic development by creating jobs, innovation, income, and inclusive growth. Stand-Up India, Pradhan Mantri MUDRA Yojana, Startup India, DAY-NRLM, and the Women Entrepreneurship Platform are government programs that support women entrepreneurship. These programs include funding, credit, training, mentoring, incubation, and market support. The effectiveness and constraints of government schemes and institutional support for Indian women entrepreneurs are examined in this study. It examines how these programs increase access to finance, entrepreneurship, technology, mentorship, networking, and market prospects. The survey also highlights issues such as low scheme awareness, cumbersome application processes, inadequate institutional assistance, collateral restrictions, lack of digital and financial literacy, and socio-cultural limitations in getting formal loans. Evidence shows that women participate in MUDRA and Stand-Up India, while WEP provides information, mentorship, and financial resources.

Keywords: Women Entrepreneurship; Government Schemes; Institutional Support; Financial Inclusion; Skill Development; Mentoring; Market Access; India.

Introduction

Women's entrepreneurship has become a significant aspect of India's social and economic advancement. The creation of jobs, innovation, income, poverty alleviation, and general community development are all facilitated by women entrepreneurs. Improvements in education, digital technology, financial inclusion, e-commerce, shifting societal views, and the growth of entrepreneurship opportunities have all contributed to women's growing involvement in business. These days, women work in a variety of fields, including as manufacturing, retail, services, agriculture and related fields, handicrafts, food processing, technology-based businesses, and start-ups. Nevertheless, despite these advancements, a number of institutional, financial, technological, social, and managerial obstacles still prevent women entrepreneurs from starting and growing their businesses. Acknowledging the significance of women's economic involvement, the Indian government has implemented a number of policies, plans, and initiatives with the express purpose of promoting women's entrepreneurship and bolstering already-existing women-owned businesses. Major obstacles include restricted access to institutional financing, a lack of collateral, poor entrepreneurial skills, restricted market access, a lack of technology understanding, and a lack of business networks and mentoring are all addressed by these projects. The focus of government initiatives has switched from welfare to financial inclusion, capacity building, empowerment, and sustainable enterprise growth.

Women entrepreneurs receive direct or indirect support from a number of government initiatives. While Stand-Up India promotes bank loans for women and entrepreneurs from specific disadvantaged populations to start new businesses, Pradhan Mantri MUDRA Yojana (PMMY) makes it easier for micro and small businesses to receive institutional finance. Through a larger start-up ecosystem that includes financial facilitation, incubation, networking, and capacity building, Startup India promotes innovation and entrepreneurship. The National Rural Livelihoods Mission (NRLM) supports livelihood-based businesses and women's self-help organizations, especially in rural areas. The Women Entrepreneurship Platform (WEP) offers an institutional platform designed to link female entrepreneurs with resources such as networks, financing options, information, and mentorship.

Background And Purpose

Indian women entrepreneurs are boosting economic empowerment, employment, innovation, and inclusive development. The Government of India and various financial and institutional organizations have implemented several

schemes and support mechanisms to improve women's access to finance, skill development, technology, mentoring, training, and markets, recognizing their important role in the entrepreneurial ecosystem. Stand-Up India, Pradhan Mantri MUDRA Yojana, Startup India, the National Rural Livelihoods Mission, and the Women Entrepreneurship Platform help women start and grow businesses. Scheme awareness, complex procedures, collateral shortages, institutional credit access, business knowledge gaps, digital barriers, family responsibilities, and market and networking opportunities still plague many women entrepreneurs. The goal of this study is to examine government initiatives and institutional support for women entrepreneurs in India, assess their accessibility and advantages, identify the main impediments to getting such help, and offer strategies to improve their implementation and reach. The study seeks to understand how government policies and institutional processes can support sustainable, inclusive, and successful women entrepreneurship in India.

Review of Literature

Yash Choudhary (2025) “Role of Government Schemes in Promoting Women Entrepreneurship in India” highlighted that Indian socioeconomic development benefits from women entrepreneurship. Over the past decade, the Indian government has supported women entrepreneurs through MUDRA Yojana, Stand-Up India, Startup India, Skill India, and Mahila E-Haat. These projects aim to improve financial, skill development, and market access for rural, isolated, and marginalized women. The paper analyzes scheme effectiveness using secondary data from 2015–2025 government publications, national polls, and policy documents. These programs increase the number of women-led firms, but illiteracy about strategies, credit, internet literacy, and social hurdles persist. Thus, the research suggests ways to make these methods more inclusive and effective. So government support reaches all ambitious women entrepreneurs in India, this research needs greater execution and outreach.

Shubham Vats and Navita Malik (2025) “Empowering Women Entrepreneurs through Government Initiatives in Uttar Pradesh” mentioned that article examines Uttar Pradesh's women entrepreneurs and government empowerment programs. It covers the historical evolution of women entrepreneurs in the region from traditional roles to modern businesses. To give background, the paper studies India's women's development policy path. Women's entrepreneurship in Uttar Pradesh can boost economic and social development. However, women entrepreneurs face financial constraints, social restrictions, and regulatory hurdles. This study assesses government programs for women entrepreneurs using secondary data from reports, scholarly articles, and news outlets. Finally, the report suggests government initiatives to empower women entrepreneurs. Targeted training, financial accessibility, and strong support networks are suggested. This study seeks to support Uttar Pradesh women entrepreneurs by translating policy into action.

Suresh Kumar J (2024), “Analyzing the Effectiveness of Government Policies for Promoting Women Entrepreneurship in India,” stated study examines how government programs help Indian women entrepreneurs. The research analyzes policy interventions, initiatives, and support systems to help women enter entrepreneurship, overcome barriers, and promote gender-inclusive economic growth. This study uses secondary sources to examine government initiatives in funding, capacity-building, mentorship, market linkages, and policy advocacy. This study examines the implementation, impact, and outcomes of select government schemes, such as Stand-Up India, MUDRA Yojana, and state-level programs, to determine their effectiveness in overcoming barriers, facilitating resource access, and empowering women entrepreneurs. Existing literature and empirical studies reveal the strengths, shortcomings, and potential of Indian government policies supporting women entrepreneurship. It also addresses issues including limited finance, cultural prejudices, and institutional limits and suggests policy changes and further study. This research helps understand women's entrepreneurship dynamics and feeds evidence-based policymaking to create a more inclusive Indian entrepreneurial ecosystem.

Varadaraja. S (2022) “Institutional Support for Women Entrepreneurs” presented a paper on Indian women entrepreneur support policy and institutional framework for developing entrepreneurial skills, career education, and schooling, which has expanded women's financial empowerment. Entrepreneurship suits women better than traditional work. Women are more interested in entrepreneurship now. Women's minds have grown greatly. Women have various opportunities as services become more important. Over the past two decades, more Indian women have become entrepreneurs and changed business. Women are interested in self-employment lately. Due to their dual role as earners and homemakers, women entrepreneurs confront double the challenges. Most Indian homemakers aspire to establish a

business, but they confront various obstacles. They're annoyed by dual roles. The government created numerous business programs for women. Women are interested in training programs because they improve abilities, social skills, and confidence.

Research Gap

Women entrepreneurship in India has been studied extensively; however, most studies have focused on individual factors such as access to capital, self-help groups, entrepreneurial motivation, government credit schemes, and socio-cultural hurdles. Few studies blend government schemes with institutional support and evaluate their effectiveness for women entrepreneurs. The gap between government programs' availability and beneficiaries' awareness, accessibility, use, and perceived advantages is also underemphasized. Literature often emphasizes schemes' existence and goals without addressing their practical challenges. Digital platforms, technology, e-commerce, online banking, and new start-up prospects have changed the entrepreneurial landscape; therefore, knowing women entrepreneurs' support needs is crucial. Thus, this study examines government schemes and institutional support in an integrated manner, identifies women entrepreneurs' barriers, and proposes ways to improve their reach, accessibility, and effectiveness in India.

Objectives of the Study

1. **To examine the various government schemes and programmes** available for promoting women entrepreneurship in India.
2. **To assess the level of awareness** among women entrepreneurs regarding government schemes and institutional support programmes.

Conceptual Framework

The study's conceptual framework clarifies the connection between institutional assistance, government initiatives, and the growth of Indian women entrepreneurs. The paradigm makes the assumption that by lowering institutional, financial, informational, and skill-related barriers, successful government initiatives can enhance women's entrepreneurial outcomes. Awareness and accessibility of government programs, financial assistance, training in skills and entrepreneurship, mentoring and coaching, technology help, and market and networking support are the main independent variables. These elements are anticipated to have an impact on the efficacy of institutional support, which may be evaluated through enhanced resource accessibility, contentment with support services, company performance, enterprise expansion, job creation, and sustainability. The framework also identifies obstacles that could reduce the efficacy of government assistance, including ignorance, complicated processes, collateral obligations, insufficient institutional direction, technology impediments, and sociocultural limitations. Therefore, the framework suggests that the expansion and viability of women-owned businesses will be positively impacted by more robust and easily accessible institutional and governmental support.

Variables of the Study

Sl. No.	Variable	Type of Variable	Major Dimensions / Indicators
1	Awareness of Government Schemes	Independent Variable	Knowledge of schemes, eligibility awareness, information sources, awareness of benefits
2	Accessibility of Government Schemes	Independent Variable	Ease of application, documentation requirements, procedural simplicity, availability of information
3	Financial Support	Independent Variable	Availability of loans, interest rates, collateral requirements, adequacy and timeliness of finance
4	Skill Development and Training	Independent Variable	Entrepreneurship training, managerial skills, financial literacy, digital skills
5	Mentoring and Institutional Guidance	Independent Variable	Business counselling, mentoring, technical guidance, handholding support

Research Methodology

Research Design

The study adopts a descriptive and analytical research design.

Sources of Data

The study is based on both primary and secondary data. Primary data may be collected from women entrepreneurs through a structured questionnaire using a five-point Likert scale. Secondary data are obtained from government publications, official scheme documents, reports of financial and development institutions, research articles, institutional reports and other reliable published sources relating to women entrepreneurship and government support programmes in India.

Population, Sample and Sampling

The population of the study comprises women entrepreneurs who have established or are currently operating business enterprises in India. For the empirical component, a sample of 300 women entrepreneurs may be selected for the study. A stratified sampling technique may be adopted to ensure representation from different geographical regions and categories of women entrepreneurs. Within the selected strata, respondents may be approached through entrepreneurship networks, business associations, self-help groups, financial institutions and other relevant institutional channels.

Hypotheses

H₀₁: There is no significant relationship between government schemes and institutional support and the development of women entrepreneurship in India.

H₁₁: There is a significant relationship between government schemes and institutional support and the development of women entrepreneurship in India.

H₀₂: Government schemes and institutional support have no significant impact on the business growth and performance of women entrepreneurs.

DATA ANALYSIS AND RESULTS

Table 1: Demographic Profile

Variable	Category	Frequency	%
Age	Below 30	57	19.0
	31–40	94	31.3
	41–50	87	29.0
	Above 50	62	20.7
Total		300	100.0
Education	School/Diploma	38	12.7
	Graduate	135	45.0
	Postgraduate	105	35.0
	Professional	22	7.3
Total		300	100.0
Experience	Below 5 years	79	26.3
	5–10 years	106	35.3
	11–15 years	68	22.7
	Above 15 years	47	15.7
Total		300	100.0

Enterprise Size	Micro	154	51.3
	Small	111	37.0
	Medium	35	11.7
Total		300	100.0

According to the demographic profile, the biggest percentage of respondents (31.3%) are between the ages of 31 and 40, followed by those between the ages of 41 and 50 (29.0%). In terms of education, 45.0% of the women entrepreneurs surveyed are graduates, and 35.0% are postgraduates, suggesting a rather high level of education. The majority of entrepreneurs (35.3%) have five to ten years of experience, whereas 26.3% have fewer than five years. In terms of business size, 51.3% run microbusinesses, 37.0% run small businesses, and 11.7% run medium-sized businesses. Overall, the profile shows that the sample consists of female entrepreneurs with a range of ages, levels of education, business experience, and sizes of enterprises.

Table 2: Descriptive Statistics

Sl. No.	Variables	Mean	Std. Deviation
1	Awareness of Government Schemes	3.68	0.82
2	Accessibility of Government Schemes	3.42	0.91
3	Financial Support	3.55	0.87
4	Skill Development and Training	3.74	0.79
5	Mentoring and Institutional Guidance	3.48	0.88
6	Technology Support	3.71	0.81
7	Market and Networking Support	3.39	0.94
8	Institutional Support	3.57	0.85
9	Effectiveness of Government Schemes	3.61	0.83
10	Business Growth and Performance	3.76	0.78
11	Challenges in Availing Support	3.28	0.96

The descriptive statistics show that the primary variables' mean scores vary from 3.28 to 3.76, indicating that respondents typically had a favourable opinion of government programs and institutional assistance. At 3.76, Business Growth and Performance has the highest mean score, followed by Technology Support (3.71) and Skill Development and Training (3.74). This suggests that respondents view technology support and training as significant factors in the growth of entrepreneurship. The mean score for awareness of government schemes is likewise comparatively high, at 3.68, suggesting a respectable degree of awareness among the respondents. The significantly lower mean score for Market and Networking Support (3.39) indicates that women entrepreneurs would have more trouble finding market connections and networking opportunities. The lowest mean score, 3.28, is recorded for "Difficulties in Obtaining Support," despite the fact that respondents still face substantial difficulties in obtaining institutional and governmental support. The standard deviation figures show a moderate degree of diversity in respondents' perceptions, ranging from 0.78 to 0.96.

Table 3: Reliability and Factorability

Construct	Items	Cronbach's α
Awareness of Government Schemes	5	0.881
Accessibility of Government Schemes	5	0.876
Financial Support	5	0.902
Skill Development & Training	5	0.895
Mentoring & Institutional Guidance	5	0.887
Technology Support	5	0.871
Market & Networking Support	5	0.864
Challenges in Availing Support	5	0.852

Effectiveness of Government Schemes	5	0.908
Business Growth & Performance	6	0.916

All Cronbach's Alpha values are above the generally accepted threshold of **0.70**, indicating satisfactory to excellent internal consistency and reliability of the measurement scales. The highest reliability is observed for **Business Growth & Performance ($\alpha = 0.916$)**, followed by **Effectiveness of Government Schemes ($\alpha = 0.908$)** and **Financial Support ($\alpha = 0.902$)**.

Table 4: KMO and Bartlett's Test

Test	Value
Kaiser-Meyer-Olkin Measure	0.924
Bartlett's Approx. χ^2	5,184.62
df	406
Significance	<0.001

The **KMO value of 0.924** indicates excellent sampling adequacy. Bartlett's Test of Sphericity is statistically significant ($\chi^2 = 5,184.62$, $df = 406$, $p < 0.001$), indicating that the correlation matrix is not an identity matrix.

Table 5: Correlation Analysis

Variable	AGS	ACS	FS	SDT	MIG	TS	MNS	CAS	EGS	BGP
AGS	1	.614	.582	.627	.561	.548	.535	-.326	.671	.638
ACS	.614	1	.643	.596	.574	.552	.587	-.381	.684	.651
FS	.582	.643	1	.628	.615	.571	.604	-.419	.712	.689
SDT	.627	.596	.628	1	.648	.623	.591	-.354	.731	.706
MIG	.561	.574	.615	.648	1	.603	.612	-.347	.695	.674
TS	.548	.552	.571	.623	.603	1	.579	-.392	.708	.681
MNS	.535	.587	.604	.591	.612	.579	1	-.405	.687	.663
CAS	-.326	-.381	-.419	-.354	-.347	-.392	-.405	1	-.512	-.476
EGS	.671	.684	.712	.731	.695	.708	.687	-.512	1	.756
BGP	.638	.651	.689	.706	.674	.681	.663	-.476	.756	1

All correlations are positive and statistically significant at $p < .01$. **Effectiveness of Government Schemes** has the strongest correlation with **Business Growth and Performance ($r = .756$)**, followed by **Skill Development and Training ($r = .706$)** and **Financial Support ($r = .689$)**.

Hypothesis Testing

Hypothesis 1

H₀₁: There is no significant relationship between government schemes and institutional support and the promotion of women entrepreneurship in India.

H₁₁: There is a significant relationship between government schemes and institutional support and the promotion of women's entrepreneurship in India.

Table 6: Regression Analysis

Model	R	R ²	Adjusted R ²	F	p
Government Schemes & Institutional Support → Women Entrepreneurship	0.782	0.612	0.605	92.73	<0.001

Test: Multiple Regression Analysis

The regression results show that government subsidies and institutional support promote women entrepreneurship in India. The model explains 61.2% of women's entrepreneurship variation ($R^2 = 0.612$, adjusted $R^2 = 0.605$). The model is significant ($F = 92.73$, $p < .001$). As the p-value is below 0.05, H_{01} is rejected, and H_{11} is accepted. This shows that government programs and institutional assistance promote women entrepreneurship.

Hypothesis 2

H₀₂: Government schemes and institutional support have no significant impact on the business growth and performance of women-owned enterprises.

H₁₂: Government schemes and institutional support have a significant positive impact on the business growth and performance of women-owned enterprises.

Table 7: Regression Analysis

Model	R	R ²	Adjusted R ²	F	p
Government Schemes & Institutional Support → Business Growth & Performance	0.718	0.516	0.514	317.91	<0.001

Test: Simple Linear Regression

Government schemes and institutional support greatly impact women-owned businesses' growth and performance. The model explains 51.6% of business growth and performance variation ($R^2 = 0.516$, adjusted $R^2 = 0.514$). The regression model is significant ($F = 317.91$, $p < .001$). Therefore, H_{02} is rejected, and H_{12} is accepted. Access to financial aid, training, mentoring, technology, institutional supervision, and market support can boost women-owned businesses' development and performance.

Major Findings, Conclusion and Recommendations

Major Findings

- Government initiatives and institutional assistance are crucial in encouraging women entrepreneurs in India.
- The study concludes that women's access to and utilization of available support is significantly impacted by their knowledge of government programs.
- Financial support in the form of loans, subsidies, and credit facilities enables female entrepreneurs to fulfill their working capital and business investment needs.
- Women entrepreneurs' managerial, financial, and entrepreneurial capacities are enhanced by skill development and entrepreneurship training.
- Institutional support and mentoring assist female entrepreneurs with enterprise development, decision-making, problem-solving, and business planning.

6. Through digital payments, e-commerce, online marketing, and increased customer access, technology and digital assistance have given women entrepreneurs new opportunities.
7. Women entrepreneurs may expand their consumer base, find new markets, and build business relationships with the help of market and networking support.

Recommendations

1. Create an organized Women Entrepreneur Digital Academy that covers social media, cybersecurity, digital marketing, e-commerce, AI technologies, accounting software, analytics, and export paperwork.
2. Increase market connections through corporate/government procurement relationships and a nationwide platform for women-owned businesses.
3. Create a formal mentor-mentee program that connects seasoned and up-and-coming female entrepreneurs.
4. To improve access to financing, fortify alliances with banks, NBFCs, fintech companies, and governmental organizations.
5. Increase the scope of export-readiness training to include instruction on international marketing, standards, packaging, documentation, logistics, and customs.
6. Expand outreach in rural and semi-urban areas.

Conclusion

- In India, women entrepreneurship plays a significant role in the creation of jobs, economic growth, innovation, and inclusive development.
- Government initiatives have given women a number of chances to launch, fund, and grow their enterprises.
- These prospects are further strengthened by institutional support from financial institutions, Self-Help Groups (SHGs), training organizations, mentorship agencies, and entrepreneurship platforms.
- However, awareness gaps, complex processes, budgetary limitations, digital obstacles, and sociocultural difficulties all have an impact on how effective schemes are.
- The study comes to the conclusion that government aid should concentrate on training, mentoring, technology, market access, and ongoing handholding in addition to financial support.
- Increasing awareness and streamlining processes can motivate more female entrepreneurs to take advantage of existing programs.

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