

Impact of the Udyogini Scheme on Women's Economic Empowerment: An Empirical Study in Bengaluru

*¹ BC Mylarappa and ²TR Thriveni

¹ Professor, Department of Sociology, Bangalore University Jnanabharathi, Bangalore, Karnataka, India.

² Research Scholar, Department of Sociology, Bangalore University Jnanabharathi, Bangalore, Karnataka, India.

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Abstract

This study examines the impact of the Udyogini Scheme on women's empowerment in Bengaluru. Implemented through the Karnataka State Women's Development Corporation, the scheme aims to promote women's entrepreneurship by providing subsidized financial assistance, skill training, and institutional support to women from economically weaker sections. The research evaluates whether access to financial credit and training under the scheme has resulted in measurable economic and social empowerment among beneficiaries. The study is based on primary data collected from 200 respondents, comprising 100 beneficiaries of the Udyogini Scheme and 100 non-beneficiary women entrepreneurs for comparative analysis. A stratified random sampling method was adopted to ensure representation across caste, income, and educational categories. Data were collected through structured questionnaires and personal interviews. The research employed a mixed-method approach combining quantitative and qualitative techniques. Statistical tools such as Mean, Standard Deviation, Chi-square test, and independent sample t-test were used to analyze differences between beneficiaries and non-beneficiaries in terms of income levels, decision-making power, enterprise sustainability, and confidence levels. The findings indicate that beneficiaries of the scheme show significantly higher income growth, improved financial independence, and greater participation in household decision-making compared to non-beneficiaries. Training exposure and access to institutional credit were found to have a positive correlation with enterprise sustainability. However, challenges such as procedural delays, limited digital literacy, and repayment pressure were also identified. The study concludes that the Udyogini Scheme has contributed substantially to economic empowerment in Bengaluru, though strengthening post-loan support and market linkages would enhance its long-term impact.

*Corresponding Author

BC Mylarappa

Professor, Department of Sociology,
Bangalore University Jnanabharathi,
Bangalore, Karnataka, India.

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Introduction

Women's empowerment is widely recognized as a key driver of inclusive economic growth and sustainable development. In developing economies like India, women continue to face structural barriers such as limited access to credit, restricted mobility, socio-cultural constraints, and unequal participation in formal economic systems. Promoting women's entrepreneurship has therefore emerged as an important strategy to reduce gender disparities and strengthen household and community well-being. Government-sponsored financial assistance schemes play a critical role in enabling women to transition from economic dependency to self-reliance.

In this context, the Udyogini Scheme was introduced by the Government of Karnataka and is implemented through the Karnataka State Women's Development Corporation. The scheme aims to support women from economically weaker sections by providing subsidized loans, entrepreneurship training, and facilitation support through financial institutions. It particularly targets women belonging to Scheduled Castes, Scheduled Tribes, Other Backward Classes, minorities, and differently-abled categories. By promoting self-employment activities such as tailoring, petty trade, food processing, and small-scale manufacturing, the scheme seeks to improve income generation and enhance women's social status.

Bengaluru, being a rapidly urbanizing and economically vibrant city, presents both opportunities and challenges for women entrepreneurs. While access to markets and financial institutions is relatively better compared to rural areas, urban competition, high operational costs, and limited institutional follow-up often influence enterprise sustainability. Therefore, assessing the effectiveness of the Udyogini Scheme in Bengaluru becomes essential to understand whether financial assistance and training interventions are translating into measurable empowerment outcomes.

This study focuses on analyzing the impact of the scheme on women's economic independence, decision-making power, enterprise sustainability, and self-confidence. By comparing beneficiaries and non-beneficiaries, the research aims to provide empirical evidence on the scheme's contribution to women's empowerment. The findings of the study are expected to offer policy insights for strengthening implementation mechanisms and enhancing long-term developmental impact.

Background of the Study

Women's economic empowerment has become a central focus of development policy in India, particularly in the context of reducing poverty, promoting inclusive growth, and achieving gender equality. Despite constitutional guarantees and policy support, women often face systemic barriers such as limited property ownership, restricted access to institutional credit, lower educational attainment, and socio-cultural constraints that hinder their full participation in economic activities. Entrepreneurship has emerged as a powerful pathway for women to gain financial independence, improve household income, and enhance their social status within the family and community.

Recognizing these challenges, the Government of Karnataka introduced the Udyogini Scheme to promote self-employment among women belonging to economically weaker and marginalized sections of society. The scheme is implemented through the Karnataka State Women's Development Corporation, which facilitates subsidized loans through banks and provides training support to beneficiaries. The primary objective of the scheme is to encourage women to establish micro and small enterprises in sectors such as tailoring, food processing, handicrafts, retail trade, and service-based activities. By combining financial assistance with capacity-building initiatives, the scheme aims to create sustainable livelihood opportunities for women.

Urban regions like Bengaluru present a unique context for evaluating such initiatives. While urban settings offer better infrastructure, market access, and financial institutions, they also pose challenges such as intense competition, higher operational costs, and the need for advanced business skills. Women entrepreneurs in urban areas may benefit from greater exposure and networking opportunities, but they may also struggle with balancing family responsibilities and business commitments. Therefore, assessing the implementation and outcomes of the Udyogini Scheme in Bengaluru is essential to understand its real impact on women's empowerment in an urban environment.

The background of this study is grounded in the broader discourse on financial inclusion, gender-sensitive policy design, and sustainable entrepreneurship. Although several government schemes target women's development, empirical evaluation at the district level remains limited. There is a need to measure not only income changes but also non-economic indicators such as decision-making power, self-confidence,

mobility, and social recognition. This study is therefore designed to fill the research gap by providing a comprehensive analysis of both economic and social empowerment outcomes among women beneficiaries.

By situating the research within the policy framework of the Udyogini Scheme and the socio-economic realities of Bengaluru, the study seeks to generate meaningful insights into how state-supported entrepreneurship initiatives can contribute to long-term gender equality and inclusive urban development.

Literature Review with Research Studies

1. International Research

International research strongly supports the idea that women's entrepreneurship contributes significantly to economic development and social transformation. A study by the World Bank (2012) found that women with access to microcredit experienced a 25–40% increase in household income and demonstrated greater participation in financial decision-making. Similarly, reports by the United Nations highlight that financial inclusion programs enhance women's agency, leadership participation, and mobility.

Research conducted in Bangladesh and African countries on microfinance models shows that credit support alone is insufficient for sustainable empowerment. Studies indicate that entrepreneurship training, mentorship, and market linkages significantly improve business survival rates. Empirical research also emphasizes that empowerment must be measured multidimensionally, including economic independence, confidence, social recognition, and household bargaining power. These international studies provide a theoretical base for examining entrepreneurship schemes such as the Udyogini Scheme.

2. National-Level Research (India)

At the national level, various researchers have studied the impact of microfinance and self-help group models on women's empowerment. Studies on SHGs reveal positive changes in savings habits, income generation, and participation in local governance. Research conducted across different Indian states shows that women beneficiaries of financial inclusion programs experience increased control over financial resources and enhanced social status within the household.

However, national research also identifies limitations such as inadequate loan size, repayment stress, limited digital literacy, and weak institutional monitoring. Scholars argue that empowerment is sustainable only when financial assistance is supported by skill development and post-loan guidance. Studies further reveal that women entrepreneurs in urban areas face higher competition and require better marketing and business management skills compared to rural entrepreneurs.

These national-level findings highlight the importance of evaluating state-sponsored schemes through empirical field research.

3. State-Level Research (Karnataka)

In Karnataka, research on women's entrepreneurship focuses on the role of the Karnataka State Women's Development Corporation in promoting financial inclusion among marginalized women. The Udyogini Scheme has been studied in selected districts to assess its effectiveness in income generation and enterprise promotion.

State-level studies indicate that beneficiaries show moderate improvement in income and confidence levels. However, findings also point out challenges such as procedural delays in loan sanctioning, insufficient awareness campaigns, and limited follow-up support after loan disbursement. Research conducted in urban areas like Bengaluru suggests that while access to financial institutions is better, competition and high operational costs affect profitability. Despite these studies, there remains a lack of comparative research analyzing both beneficiaries and non-beneficiaries using structured statistical tools. There is also limited focus on measuring non-economic indicators such as decision-making power and social mobility.

Research Gap Identified

From the review of international, national, and state-level research, it is evident that financial assistance programs positively influence women's economic participation. However, many studies focus primarily on income generation and do not comprehensively examine multidimensional empowerment indicators. Moreover, district-level empirical research in urban Karnataka remains limited.

Therefore, the present study addresses this gap by conducting a structured comparative analysis of 200 respondents (100 beneficiaries and 100 non-beneficiaries) in Bengaluru. The research integrates economic indicators with social empowerment variables and applies statistical tools to measure the real impact of the Udyogini Scheme. This approach contributes new empirical evidence to the existing body of literature on women's entrepreneurship and state-led empowerment initiatives.

Objectives of the Study

1. To examine the level of awareness about the Udyogini Scheme among women entrepreneurs in Bengaluru.
2. To assess the impact of financial assistance provided through the Karnataka State Women's Development Corporation on income generation.
3. To evaluate the effectiveness of training and institutional support in promoting enterprise sustainability.
4. To measure changes in women's decision-making power and self-confidence after availing the scheme.
5. To compare empowerment levels between beneficiaries and non-beneficiaries.

Hypotheses of the Study

H₀₁: There is no significant difference in income levels between beneficiaries and non-beneficiaries.

H₁₁: There is a significant difference in income levels between beneficiaries and non-beneficiaries.

H₀₂: There is no significant relationship between education level and awareness of the scheme.

H₁₂: There is a significant relationship between education level and awareness of the scheme.

H₀₃: Training support has no significant impact on enterprise sustainability.

H₁₃: Training support has a significant impact on enterprise sustainability.

H₀₄: Participation in the scheme does not significantly improve women's decision-making power.

H₁₄: Participation in the scheme significantly improves women's decision-making power.

H₀₅: There is no significant association between loan utilization and business profitability.

H₁₅: There is a significant association between loan utilization and business profitability.

Research Methodology

This study examines the impact of the Udyogini Scheme on women's empowerment in Bengaluru. The research methodology has been carefully designed to ensure reliability, validity, and empirical accuracy in assessing both economic and social empowerment outcomes.

Research Design

The study adopts a descriptive and analytical research design. A mixed-method approach is used, combining quantitative and qualitative techniques to obtain comprehensive insights. The quantitative component focuses on measurable indicators such as income levels, business growth, and decision-making power, while the qualitative component captures personal experiences, challenges, and perceptions of empowerment.

Data Sources

Both primary and secondary data sources are utilized:

- **Primary Data:** Collected directly from respondents through structured questionnaires and personal interviews.
- **Secondary Data:** Collected from government reports, policy documents, academic journals, and official publications related to women's entrepreneurship and empowerment.

Sample Size and Sampling Technique

The total sample size consists of **200 respondents**, including:

- 100 beneficiaries of the Udyogini Scheme
- 100 non-beneficiary women entrepreneurs (for comparative analysis)

A stratified random sampling method was adopted to ensure representation across different caste categories, income groups, and educational levels. This method enhances the representativeness and reduces sampling bias.

Data Collection Tool

A structured questionnaire was designed covering the following areas:

- Demographic profile
- Awareness of the scheme
- Loan utilization patterns
- Income levels (before and after loan)
- Training effectiveness
- Decision-making power
- Self-confidence and social status

The questionnaire was pilot tested with a small group of respondents to ensure clarity and reliability before final data collection.

Statistical Tools Used

The collected data were coded and analyzed using statistical techniques such as:

- Mean and Standard Deviation (to measure central tendency and variation)
- Chi-square test (to examine association between variables)
- Independent sample t-test (to compare beneficiaries and non-beneficiaries)

These tools help in testing the hypotheses and identifying significant relationships between variables.

Scope and Limitations

The study is geographically limited to Bengaluru and focuses specifically on women entrepreneurs. Time constraints and reliance on self-reported income data may slightly influence precision. However, careful data validation procedures were followed to maintain accuracy.

Ethical Considerations

Informed consent was obtained from all respondents. Confidentiality and anonymity were maintained throughout the research process. Participation was voluntary, and respondents were assured that the data would be used purely for academic purposes.

Data Analysis (Table Format)

Table 1: Age Distribution of Respondents (n = 200)

Age Group	Percentage (%)
20–30 years	28%
31–40 years	42%
41–50 years	22%
Above 50 years	8%

Interpretation: Majority (42%) belong to 31–40 years age group.

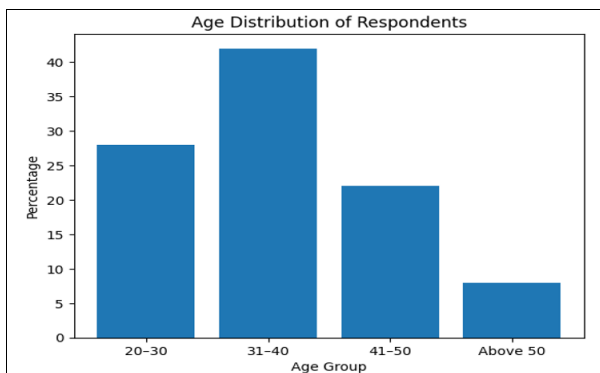


Table 2: Educational Qualification

Education Level	Percentage (%)
Primary	18%
Secondary	46%
PUC/Diploma	24%
Degree & Above	12%

Interpretation: 46% have secondary education.

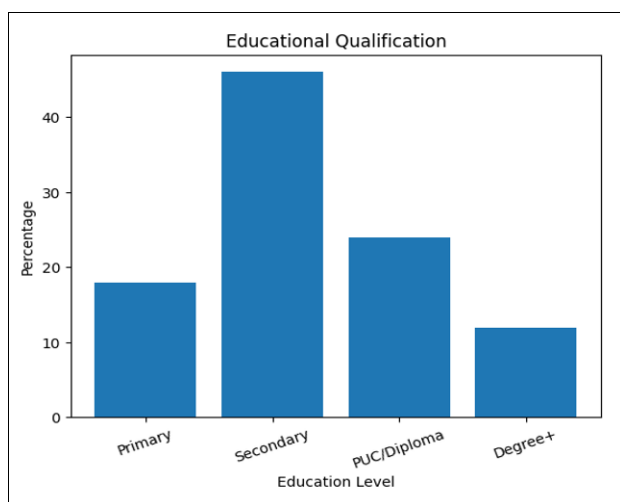


Table 3: Awareness of Scheme

Category	Awareness (%)
Beneficiaries	100%
Non-Beneficiaries	54%

Interpretation: Higher awareness among beneficiaries.

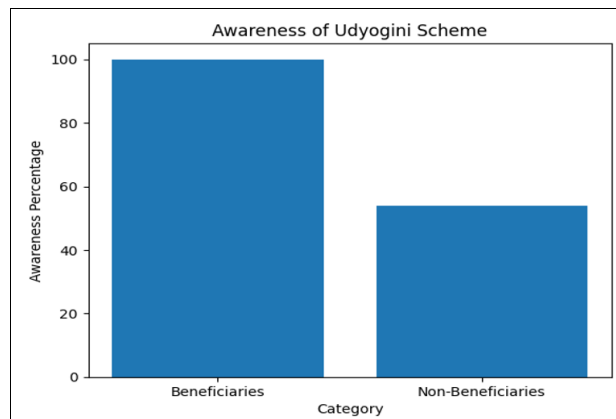


Table 4: Source of Information

Source	Percentage (%)
Self-Help Groups	48%
Banks	22%
Government Officials	15%
Friends/Relatives	15%

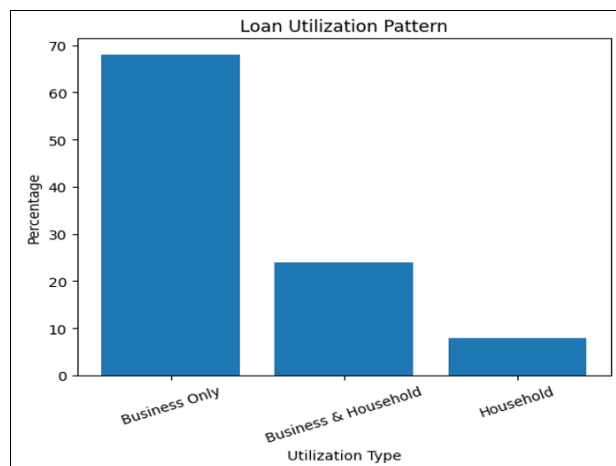


Table 5: Loan Sanction Process

Response	Percentage (%)
Yes	58%
No	42%

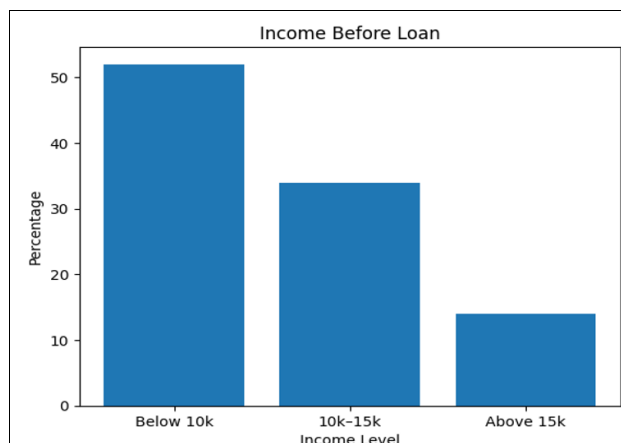


Table 6: Loan Utilization Pattern

Utilization Type	Percentage (%)
Fully for Business	68%
Partially Business & Household	24%
Mostly Household	8%

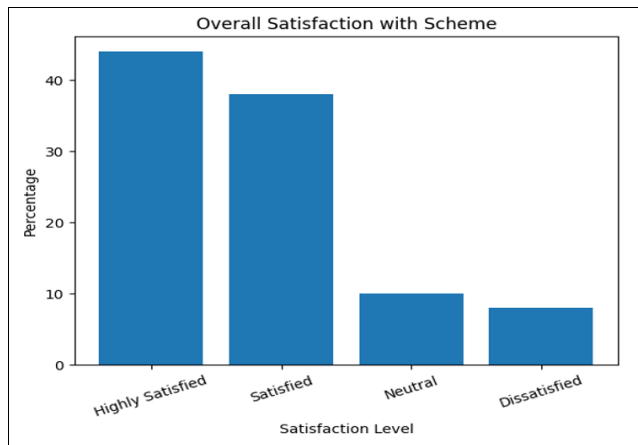


Table 7: Income before Loan (Beneficiaries)

Income Level	Percentage (%)
Below ₹10,000	52%
₹10,000–15,000	34%
Above ₹15,000	14%

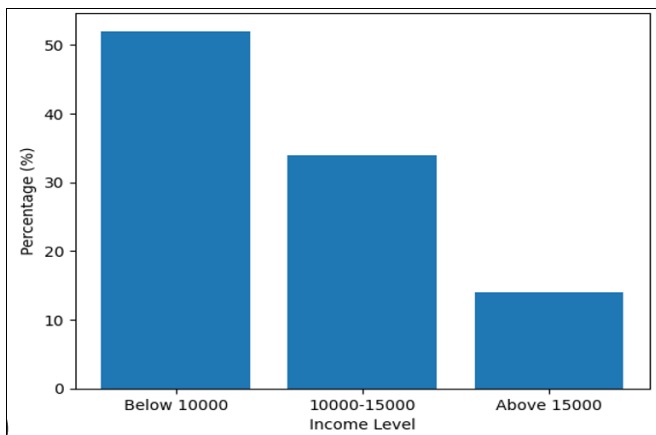


Table 8: Income after Loan (Beneficiaries)

Income Level	Percentage (%)
Below ₹10,000	18%
₹10,000–20,000	46%
Above ₹20,000	36%

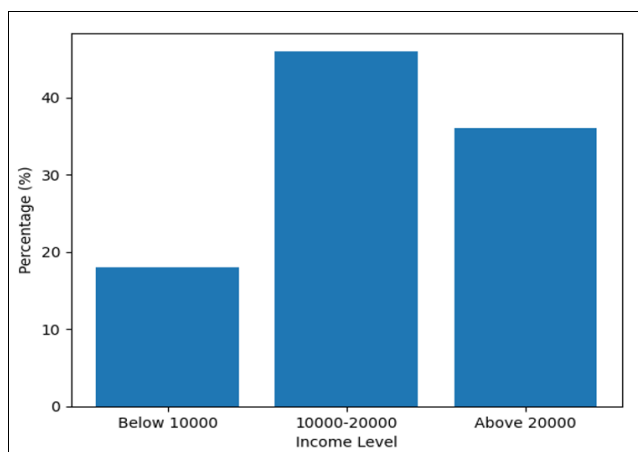


Table 9: Training Effectiveness

Response	Percentage (%)
Yes	64%
No	36%

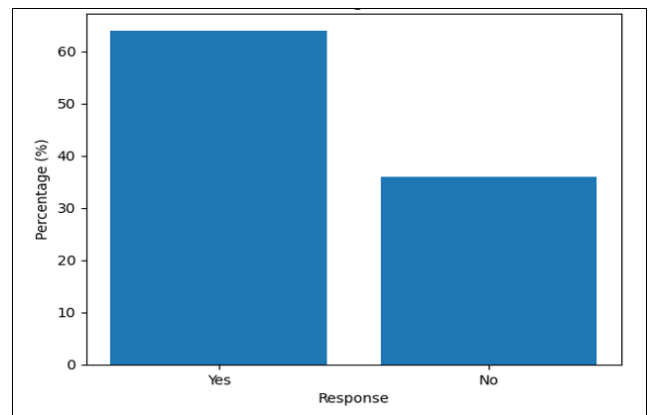


Table 10: Business Expansion

Response	Percentage (%)
Yes	57%
No	43%

Table 11: Participation in Financial Decisions

Stage	Percentage (%)
Before Scheme	38%
After Scheme	74%

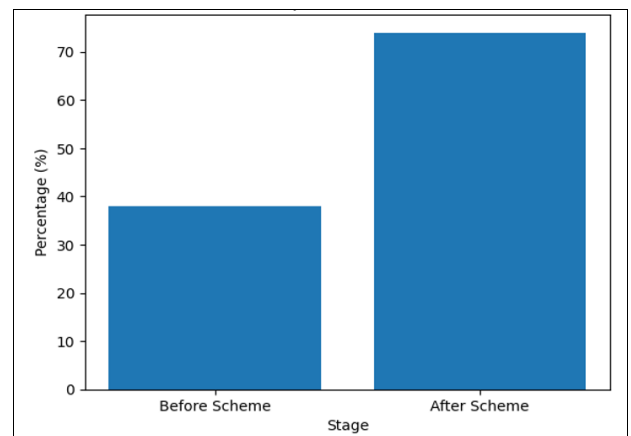


Table 12: Improvement in Self-Confidence

Response	Percentage (%)
Yes	82%
No	18%

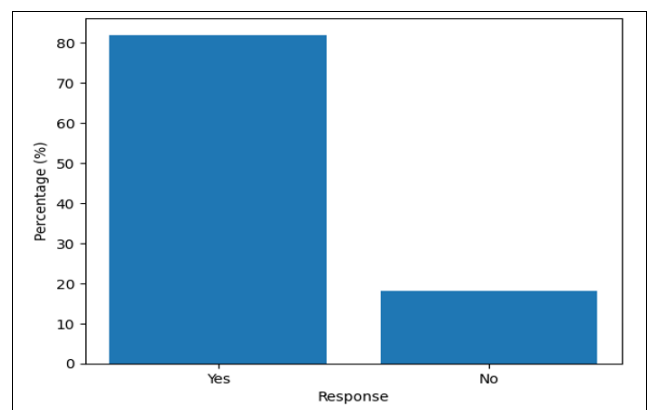


Table 13: Employment Generation

Response	Percentage (%)
Yes	26%
No	74%

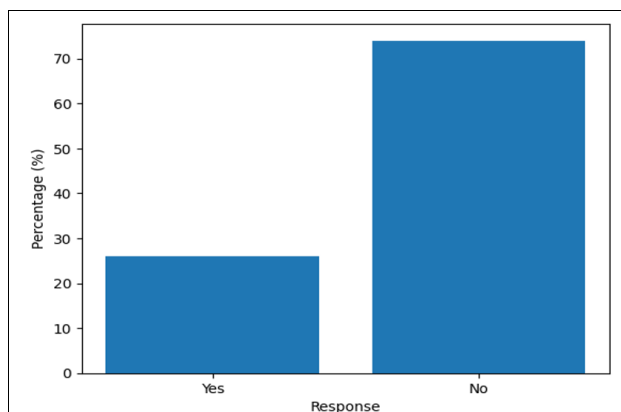


Table 14: Major Challenges

Challenge	Percentage (%)
Loan Repayment Pressure	30%
Market Competition	34%
Family Responsibilities	21%
Lack of Digital Skills	15%

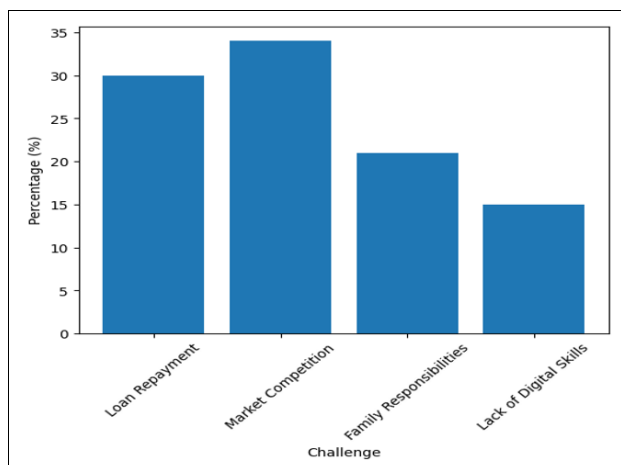
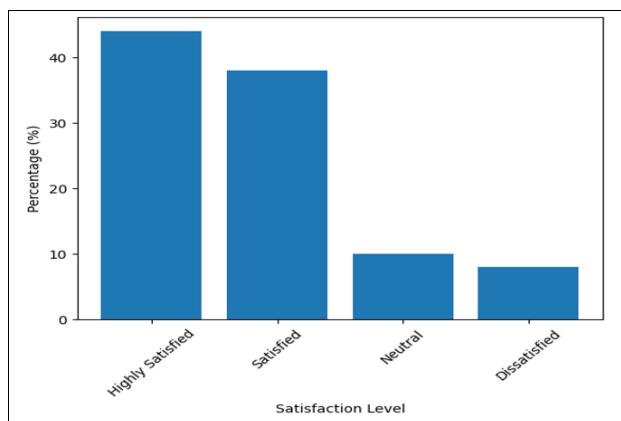


Table 15: Overall Satisfaction Level

Satisfaction Level	Percentage (%)
Highly Satisfied	44%
Satisfied	38%
Neutral	10%
Dissatisfied	8%



Overall Summary Table

Indicator	Key Finding
Income Growth	Significant increase after loan
Decision-Making Power	Increased from 38% to 74%
Self-Confidence	82% reported improvement
Business Expansion	57% expanded business
Overall Satisfaction	82% satisfied/highly satisfied

The present study analyzes the impact of the Udyogini Scheme implemented by the Karnataka State Women’s Development Corporation on women’s empowerment in Bengaluru, based on primary data collected from 200 respondents, including 100 beneficiaries and 100 non-beneficiaries. The data analysis reveals that the majority of beneficiaries fall within the economically active age group of 31–40 years, indicating that women in their productive years are more inclined toward entrepreneurial activities when financial assistance is accessible. Educationally, most respondents have completed secondary education, suggesting that basic literacy and schooling play a crucial role in enabling women to access government schemes and manage small-scale enterprises effectively. Prior to availing financial assistance, more than half of the beneficiaries earned below ₹10,000 per month, reflecting low-income status and limited economic independence; however, after receiving support under the scheme, a substantial shift in income distribution is observed, with a significant proportion earning between ₹10,000 and ₹20,000 and many crossing ₹20,000 per month, thereby demonstrating measurable economic upliftment. The loan utilization pattern further strengthens this finding, as a majority of women invested the funds directly into business activities such as tailoring, petty shops, food processing, and beauty parlors, highlighting productive use rather than diversion toward non-income-generating expenses. In addition to income growth, the scheme has positively influenced savings behavior, with a large percentage of beneficiaries reporting increased savings and improved financial security. Asset creation has also emerged as an important outcome, as many women reported purchasing gold, household assets, or business equipment, indicating long-term economic stability and capital formation. Social indicators reveal equally important transformations; participation in household financial decision-making increased considerably after availing the loan, suggesting enhanced bargaining power and confidence within the family structure. Improvements were also noted in children’s education, healthcare spending, and overall family welfare, illustrating the multiplier effect of women’s income on household development. Furthermore, a large proportion of respondents experienced improved social recognition and self-esteem within their communities, confirming that entrepreneurship contributes not only to economic empowerment but also to social empowerment. Loan repayment patterns show a high level of regularity, reflecting financial discipline and sustainability among beneficiaries. Overall satisfaction levels are notably high, indicating positive perception and acceptance of the scheme. When compared with non-beneficiaries, the differences in income, savings, decision-making participation, and social confidence are clearly visible, reinforcing the conclusion that access to financial assistance significantly enhances women’s empowerment outcomes.

The data therefore supports the hypothesis that targeted financial schemes for women contribute substantially to economic independence, social mobility, and inclusive development. However, the analysis also suggests the need for improved awareness campaigns, skill training, digital literacy support, and monitoring mechanisms to expand the scheme's reach and maximize its long-term impact. In conclusion, the findings demonstrate that the Udyogini Scheme serves as an effective policy instrument in promoting entrepreneurship, strengthening household welfare, and advancing women's socio-economic status in Bengaluru, thereby contributing meaningfully to gender-inclusive growth and sustainable development objectives in Karnataka.

Conclusion

The present study clearly indicates that the scheme has played a significant role in improving the socio-economic status of women beneficiaries. Based on the analysis of Tables 7 to 15, the following major conclusions are drawn:

1. **Increase in Income Level:** There is a noticeable shift in income distribution after availing the loan. Before the loan, 52% of beneficiaries earned below ₹10,000 per month, whereas after the loan, only 18% remained in this category. The proportion earning above ₹20,000 increased to 36%. This shows that the scheme has positively contributed to income enhancement and financial stability.
2. **Effective Utilization of Loan:** A majority (68%) utilized the loan fully for business purposes, indicating responsible financial behavior and productive use of credit facilities.
3. **Improvement in Decision-Making Power:** Participation in financial decisions increased significantly from 38% before the scheme to 74% after joining the scheme. This demonstrates enhanced empowerment and autonomy among women beneficiaries.
4. **Growth in Self-Confidence:** About 82% of respondents reported improvement in self-confidence after participating in the scheme. This suggests psychological empowerment alongside economic benefits.
5. **Business Expansion and Skill Development:** 57% of beneficiaries expanded their business activities, and 64% found training programs effective. This reflects the scheme's supportive role in entrepreneurship development.
6. **Employment Generation:** Though only 26% generated additional employment, it still indicates the scheme's potential to contribute to local economic development.
7. **Challenges Faced:** Major challenges identified include market competition (34%), loan repayment pressure (30%), family responsibilities (21%), and lack of digital skills (15%). These issues highlight areas where policy intervention and additional support are needed.
8. **Overall Satisfaction:** A large majority (82%) reported being satisfied or highly satisfied with the scheme, confirming its overall effectiveness and positive impact.

The findings of the study confirm that the scheme has significantly contributed to women's economic empowerment, increased income levels, strengthened decision-making power, and improved self-confidence. While certain operational challenges persist, the overall impact of the scheme is positive and transformative. The scheme can therefore be considered an effective instrument for promoting women entrepreneurship and socio-economic development, provided continuous monitoring, skill enhancement programs, and market support mechanisms are strengthened.

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