International Journal for Research Trends in Social Science & Humanities
Volume 4, Issue 5
Sep-Oct- 2026, PP 1-7

A Study on Village Level Entrepreneurs (Vles) Under Common Service Centers: Motivations and Performance

Arvind Rajpurohit[1], Dr Kshitija Gandhi Principal [2],
Pratibha College Of Commerce & Computer Studies Chinchwad Pune

Abstract: The Current Study Examined The Motivation, Performance, Social Impact And Challenges Faced By Village Level Entrepreneurs (Vles) Operating Common Service Centers (Cscs) In Pune District Of Maharashtra. The Study Utilized Descriptive Statistics, Correlation Analysis And Thematic Analysis On The Basis Of A Sample Of 24 Vles To Understand The Dynamics Of Rural Digital Entrepreneurship. The Findings Indicate That Vles Are Predominantly Male (100%), Well Educated (75% Graduates) And Are Motivated By Social Service (Mean = 4.33) More Than Economic Incentives (Mean = 3.29). Although Operational Performance Is Good, Financial Sustainability Is A Major Concern With 66.7% Of Respondents Indicating Profit Margins Below 10%. A Big Operational Problem Is That The Government Portals Fail And 75% Of Vles Experience This At Least Monthly. The Research Provides Validated Instruments And Evidence-Based Recommendations To Improve The Csc Ecosystem And Informs Future Large-Scale Studies.

Keywords : Digital Entrepreneurship, Common Service Centers, Village Level Entrepreneurs, Financial Sustainability, Digital Inclusion, Rural Development

I. Introduction

The Common Service Centers (CSC) scheme, launched in 2006 as part of India's National e-Governance Plan, is among the world's largest last-mile digital service delivery networks. By 2023, more than 5.5 lakh CSCs are present in 6.5 lakh villages catering to millions of citizens (CSC e-Governance Services India Ltd, 2023). The scheme is aimed at bridging the digital divide by providing digital access points in rural areas and delivering government services at the door steps of the citizens. The backbone of this scheme are the Village Level Entrepreneurs (VLEs) who operate the CSCs as an entrepreneurial venture and act as a bridge between the government and the citizens. Despite the scale and significance of the scheme, there has been a limited amount of empirical research into the lived realities of VLEs: their motivations, performance, social impact and challenges. Studies focusing on the Indian CSC context are sparse, with most relevant literature either adopting a broader perspective on e-governance initiatives or drawing from non-Indian digital inclusion frameworks. This study seeks to fill these gaps by providing a detailed analysis of VLEs in Pune district of Maharashtra. The specific objectives are as follows:

- To study the demographic profile and motivational factors of people that motivate them to be VLEs.
- Toassess financial and operational performance of VLEs.
- Tomeasure the social impact generated by VLEs.

II. Review Of Literature

1. Digital Entrepreneurship In The Rural Areas

The digital entrepreneurship in rural has peculiarities in comparison with urban areas. Rural entrepreneurs frequently encounter infrastructure shortages, small market size and low digital proficiency among customers (Philip and Williams, 2019). But they also enjoy the

benefits of strong community ties, lower competition and the ability to act as trusted intermediaries (Kshetri, 2018). The CSC model takes advantage of these rural characteristics by placing VLEs as community embedded service providers. Research on the e-governance ecosystem in India shows that access to digital infrastructure is not enough and human intermediaries such as VLEs are crucial in transforming technology into actual citizen value (Bhatnagar, 2014).

2. Motivation And Social Entrepreneurship

The research on social entrepreneurship indicates that founders are often driven by a mix of altruistic and economic motives (Mair and Noboa, 2006). The "double bottom line" of social impact and financial sustainability of social enterprises leads to novel dynamics of motivation. Zahra et al. (2009) differentiate among types of social entrepreneurs according to their main motivations, ranging from social activists to social artisans who see opportunities to serve local communities. In the Indian context, government promoted schemes are more likely to attract participants with strong public service orientation as well as livelihood aspiration (Rao and Bhavani, 2020).

3. last mile service delivery in india

Literature on last-mile service delivery in developing countries points to common challenges such as infrastructure gaps, institutional barriers and demand-side constraints (Chaudhuri, 2012). The reliability of the internet, availability of electricity, and technological literacy of the beneficiaries are important factors for successful delivery of digital services in India (Pal, 2018). More specifically, research on CSC operations has reported that the reliability of the portal and commission structure are key factors determining the viability of VLE (Mehra and Bains, 2020). The financial sustainability of VLEs, especially those serving economically weaker communities, has been a neglected dimension of the CSC literature.

III. Methods

1. Research Design

The study employed a cross-sectional survey design with a mixed method approach to data collection. The VLEs in Pune district were surveyed using a structured questionnaire, which covered five dimensions: demographic characteristics, motivational factors (measured on a five-point Likert scale ranging from 1=Very Dissatisfied to 5=Very Satisfied), performance indicators (such as service uptime, customer satisfaction, digital skills, compliance, and financial status), social impact measures, and operational challenges (using both closed-ended and open-ended questions).

2. Sampling

Purposive sampling was used for selection of 24 VLEs from different locations of Pune district. The locations selected were rural, semi-urban and urban areas. While the sample size is limited in scope, it is sufficient for the pilot objectives of the study, which were instrument validation and preliminary pattern identification prior to a full-scale survey (Creswell, 2014). A limitation is the small sample size and findings should be read considering this and not generalized to the wider VLE population.

3. Data Analyzes

Data were analyzed using descriptive statistics (frequencies, means, standard deviations), Pearson correlation analysis to explore relationships among performance variables, and thematic analysis of open-ended responses using Braun and Clarke's (2006) framework. Standard software was used for statistical analysis. Quantitative results were compared with qualitative themes to ensure analytical depth.

IV. Results And Discussions

1. Demographic Description

Table 1: Demographic Characteristics of VLEs (N=24)

Characteristic	Category	Frequency	Percentage
Age Group	25-34	9	37.5%
	35-44	6	25.0%
	45-54	9	37.5%
Education	12th Pass	1	4.2%
	Graduate	18	75.0%
	Postgraduate	5	20.8%
Experience	1-3 years	7	29.2%
	4-6 years	10	41.7%
	>6 years	7	29.2%
Location	Rural	4	16.7%
	Semi-urban	15	62.5%
	Urban	5	20.8%

The demographic profile of the VLE reveals that all VLEs are male (100%) and are highly educated with 75.0% having graduate degrees and 20.8% having postgraduate qualifications. Age distribution is divided into three groups of 25-34 (37.5%), 35-44 (25.0%) and 45-54 (37.5%) showing a relatively experienced cohort. The vast majority (70.9%) have been running for more than four years. Semi-urban locations account for 62.5% of respondents, suggesting that VLE density is higher in peri-urban areas than in remote rural settings.

2. Motivational Factors

Table 2: Descriptive Statistics for Motivational Factors

Motivational Factor	Mean	Std. Dev.	% Positive (4-5)
Opportunity to earn revenue	3.29	0.91	45.8%
Desire for social recognition	3.83	1.09	66.7%
Interest in serving society	4.33	0.87	87.5%
Family/friend recommendation	3.88	1.15	70.8%
Government support/benefits	3.71	1.08	62.5%

Scale 1 = Very Dissatisfied to 5 = Very Satisfied

The motivation analysis shows that the highest is “Interest in serving society” (Mean = 4.33, 87.5% positive ratings), followed by “Family/friend recommendation” (Mean = 3.88), “Desire for social recognition” (Mean = 3.83), “Government support/benefits” (Mean = 3.71) and “Opportunity to earn revenue” (Mean = 3.29). The hierarchy indicates that altruistic motivations are the primary drivers of VLEs, while economic incentives are secondary. The lower score for revenue motivation, combined with the financial performance data in Section 4.3, may suggest a risk of attrition among VLEs who later prioritize financial returns.

The open-ended motivational responses were thematically analyzed and six categories emerged which are summarized in Table 3.

Table 3: Thematic analysis of key motivations

Theme	Frequency	Percentage	Illustrative Quote
Social Service	8	33.3%	"Serve public people", "Benefit of local citizens"
Financial Independence	5	20.8%	"Earning income", "Financial Independence"
Personal Growth	4	16.7%	"Personal development and new skill learning"
No Other Opportunity	3	12.5%	"Didn't get any other opportunity"
Social Recognition	2	8.3%	"Achieve fame and position in society"
Opportunity Seized	2	8.3%	"Got opportunity"

3. Performance Assessment

Table 4. Key Performance Indicators

Indicator	Category	Frequency	Percentage
Service Uptime	<60%	4	16.7%
	80-89%	9	37.5%
	90-99%	11	45.8%
Customer Satisfaction	Neutral (3)	3	12.5%
	Satisfied (4)	16	66.7%
	Very Satisfied (5)	5	20.8%
	Mean = 4.08		
Digital Skills	Neutral (3)	4	16.7%
	Satisfied (4)	12	50.0%
	Very Satisfied (5)	8	33.3%
	Mean = 4.17		
Government Compliance	Satisfied (4)	9	37.5%
	Very Satisfied (5)	15	62.5%
	Mean = 4.42		

Table 5: Self-reported financial sustainability

Financial Status	Frequency	Percentage
Break-even	1	4.2%
Small profit	7	29.2%
Good profit	15	62.5%
Excellent profit	1	4.2%

Table 6: Profit Margin Distribution (n=18 reporting)

Profit Margin	Frequency	Percentage
0-10%	12	66.7%
11-20%	4	22.2%
21-30%	2	11.1%
(n=18 reporting)		

The performance analysis indicates positive operational metrics; 83.3% have service uptime above 80%, customer satisfaction is high (Mean = 4.08), digital skills are strong (Mean = 4.17), and government compliance is exceptional (Mean = 4.42). But there is a big gap between the self-reported financial status and the actual margin data. Qualitatively, 66.7 percent of businesses say they are making "good" or "excellent" profits. Quantitatively, 66.7 percent of those reporting are operating on margins below 10 percent. This inconsistency is probably due to subjective comparisons to past income levels rather than objective business viability, and signals a serious challenge to financial sustainability that needs policy attention.

4. Government Portal Not Working

Table 7: Frequency of Impact Due to Government Portal Downtime

Frequency of Disruption	Count	Percentage
Rarely (once in few months)	6	25.0%
Sometimes (once a month)	7	29.2%
Often (several times a month)	8	33.3%
Very Frequently (multiple times/week)	3	12.5%

Downtime of government portals is a critical operational barrier: 75% of VLEs experience disruptions on a monthly basis or more frequently, while 12.5% experience very frequent disruptions (multiple times per week). This directly undermines the quality of service delivery and erodes the trust of citizens in CSCs. The qualitative responses repeatedly identified the unreliability of the portal as the most frustrating operational constraint, which supports the quantitative results.

V. Discussion

The findings reveal a paradox of performance: high operational quality of VLEs and financial precarity. This pattern is consistent with the wider literature on social enterprises in resource-constrained settings, where alignment of mission enables continued operations despite low financial returns (Mair and Noboa, 2006; Rao and Bhavani, 2020).This high social service motivation is well in line with studies on community embedded service intermediaries in India where public service orientation often outweighs profit maximization as a motive (Bhatnagar, 2014). Two-thirds of VLEs reported a profit margin of <10%. This supports the finding of Mehra and Bains (2020) that commission structures are a systemic barrier to VLE viability. Unlike urban digital entrepreneurs who can grow revenues by diversifying, rural VLEs are constrained by low transaction volumes, limited service portfolios and affordability of customers. In addition, portals are down, which further decreases transaction capacity, and there is more financial pressure. One important result that requires attention is the absence of female VLEs in the sample. This is in line with the gender gap in rural digital entrepreneurship documented by Philip and Williams (2019) but represents a missed opportunity for the CSC scheme to be a vehicle for women's economic empowerment. Future research should investigate barriers to female participation in the VLE ecosystem explicitly.

VI. Conclusion

This study is a first look at the operations of VLEs in Pune district. We find a set of altruistic and competent entrepreneurs who provide quality digital services but face serious

challenges to remain financially sustainable. The central policy problem is how to break the performance paradox: operational excellence with low profitability. Addressing this requires improvements in portal reliability, revision of commission structures to ensure minimum income thresholds, and investment in public awareness to expand service uptake.

Future research should pursue three directions: first, a large-scale quantitative study across multiple districts and states to enable generalization of findings; second, longitudinal research to track VLE attrition and sustainability over time; and third, focused qualitative inquiry into barriers preventing female participation in the VLE programme. The instruments validated in this pilot study provide a solid methodological foundation for such work.

References

1. Bhatnagar, S. Public Service Delivery: Role of Information and Communication Technology in Improving Governance and Development Impact. Asian Development Bank, 2014.
2. Braun, V.; Clarke, V. Using Thematic Analysis in Psychology. Qualitative Research in Psychology, 2006, 3(2), 77-101.
3. Chaudhuri, S. Bridging the Last Mile: Challenges in Service Delivery in Remote Areas. Economic and Political Weekly, 2012, 47(4), 45-52.
4. Chowdhury, F.; Audretsch, D.B. Institutions and Entrepreneurship Quality. Entrepreneurship Theory and Practice, 2019, 43(1), 51-81.
5. Creswell, J.W. Research Design: Qualitative, Quantitative, and Mixed Methods Approaches. Sage Publications, 2014.
6. CSC e-Governance Services India Ltd. Annual Report 2022-23. Ministry of Electronics and Information Technology, Government of India, 2023.
7. Kshetri, N. Rural Entrepreneurship and Digital Technologies in Developing Countries. Journal of Small Business and Enterprise Development, 2018, 25(4), 578-592.
8. Mair, J.; Noboa, E. Social Entrepreneurship: How Intentions to Create a Social Venture are Formed. In Mair, J.; Robinson, J.; Hockerts, K. (Eds.), Social Entrepreneurship. Palgrave Macmillan, 2006, pp. 121-135.
9. Mehra, R.; Bains, J. Financial Viability of Common Service Centres in India: A Field Study. Indian Journal of Public Administration, 2020, 66(3), 412-428.
10. Pal, J. Examining E-Governance 2.0: Policy, People and Infrastructure in an Era of Mobile-based Internet. Information Technology for Development, 2018, 24(4), 644-657.
11. Philip, L.; Williams, F. Remote Rural Home Based Businesses and Digital Inequalities: Understanding Needs and Expectations in a Digitally Underserved Community. Journal of Rural Studies, 2019, 68, 306-318.
12. Rao, P.; Bhavani, R. Social Entrepreneurship and Government Schemes in Rural India: A Review. Indian Journal of Labour Economics, 2020, 63(2), 315-330.
13. Sutter, C.; Bruton, G.D.; Chen, J. Entrepreneurship as a Solution to Extreme Poverty: A Review and Future Research Directions. Journal of Business Venturing, 2018, 34(1), 197-214.
14. Zahra, S.A.; Gedajlovic, E.; Neubaum, D.O.; Shulman, J.M. A Typology of Social Entrepreneurs: Motives, Search Processes and Ethical Challenges. Journal of Business Venturing, 2009, 24(5), 519-532.