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Study of the factors affecting empowerment of small enterprises in rural areas (Case study: Balkh district)

Haidary. Abdul Hakim[1],Akhlaqi. Liaqat Ali[2]

Abstract

Small enterprises form the backbone of rural economies, driving economic growth, creating jobs, and reducing poverty in underserved regions. In the Balkh district of Afghanistan, however, these businesses face a range of persistent challenges, including scarce financial resources, limited opportunities for training, weak market connections, minimal government assistance, and underdeveloped social networks. This study set out to examine how these factors influence the empowerment and long-term sustainability of small enterprises in the district. Using a mixed-methods approach, the research combined primary and secondary data and analyzed the results with IBM SPSS 26. Statistical tools such as frequency tables, percentages, mean scores, and one-sample T-tests were applied to extract meaningful insights. The results revealed that strong social networks are the most influential driver of enterprise empowerment, showing the highest positive mean difference (1.58333). Market access and skills training also emerged as major enablers, with positive mean differences of 1.50000 and 0.77381, respectively. On the other hand, access to finance and government support were rated as significant barriers, with negative mean differences of -0.83333 and -1.57143. The findings point to an urgent need for coordinated action. Strengthening community-based networks, improving market linkages, and expanding targeted skills development programs are essential steps. At the same time, introducing accessible microfinance options and implementing supportive government policies could help remove financial and administrative obstacles. Overall, this research calls for a holistic strategy to empower small enterprises in Balkh district—one that builds strong support systems, invests in infrastructure, and addresses structural barriers. Such an approach can create an enabling environment where rural entrepreneurs can thrive, ultimately contributing to broader economic progress and sustainable livelihoods in Afghanistan

Key Words: Social Network, Market Access, Financial Access, Empowerment, Small Enterprises

1 University Lecturer, Economics faculty of Taj University, Mazar I Sharif, Afghanistan
2 University Lecturer, Economics faculty of Taj Unversity, Mazar I Sharif, Afghanistan

PROBLEM STATEMENT

Small enterprises are a lifeline for rural economies, playing a critical role in driving economic progress, generating employment, and reducing poverty. They often serve as the primary source of goods, services, and income opportunities in areas that are otherwise neglected by larger markets. In the rural communities of Balkh district, Afghanistan, these businesses hold significant potential, yet they face persistent barriers that limit their growth, innovation, and overall contribution to local development. Key challenges include inadequate access to financing, limited opportunities for skills enhancement, weak market linkages, insufficient government support, and underdeveloped social networks. Each of these factors directly influences the ability of small enterprises to thrive and sustain themselves, shaping not only the livelihoods of individual entrepreneurs but also the broader economic health of the district.

Among these challenges, limited access to finance stands out as one of the most pressing. Many rural entrepreneurs lack collateral and face the reality of underdeveloped banking infrastructure, making it difficult to secure loans or credit. As a result, their ability to invest in business expansion, upgrade operations, or adopt new technologies is severely restricted. The International Finance Corporation (IFC, 2021) reports that in Afghanistan's rural regions, access to formal financial services is especially constrained, forcing many to rely on informal lending arrangements. This financial gap leaves rural enterprises vulnerable, limiting their competitiveness and deepening the economic divide between rural and urban areas. (IFC, 2021)

Skills development and training are equally vital to the empowerment of small businesses. Without proper training, entrepreneurs often struggle to manage resources effectively, improve productivity, and navigate the complexities of business operations. In Balkh, the lack of structured business education and training programs has created a notable skills deficit, leaving many with limited knowledge in areas such as strategic planning, financial management, and market analysis. The United Nations Development Programme (UNDP, 2022) stresses that building entrepreneurial capacity is essential for rural economic empowerment, particularly in contexts where formal education and training opportunities are scarce. (UNDP, 2022)

Market access represents another significant hurdle. Poor infrastructure, high transportation costs, and limited access to market information make it difficult for rural businesses in Balkh to connect with broader and more profitable markets. This constraint not only reduces their revenue potential but also limits growth prospects. The World Bank (2020) notes that rural enterprises worldwide face similar barriers, with restricted market integration undermining their economic viability and long-term sustainability. (World Bank, 2020)

The role of government support in enabling small enterprise growth cannot be overstated. Well-designed policies, including tax incentives, financial grants, and targeted capacity-building programs, can create an enabling environment for rural

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entrepreneurship. Yet, in Afghanistan's rural districts, policy frameworks and institutional support often remain inadequate. In Balkh, this gap means that small enterprises receive minimal assistance from government initiatives, weakening their ability to compete and maintain financial stability. (USAID, 2021)

Lastly, social networks—both formal and informal—are essential for sharing knowledge, offering mentorship, and fostering collaboration. In rural areas, these networks often serve as critical lifelines, connecting entrepreneurs to resources and opportunities. However, in Balkh district, many entrepreneurs are hindered by geographic isolation and traditional social structures, which limit their ability to build and benefit from such networks. Given these multifaceted challenges, there is a clear need to examine the underlying factors that influence the empowerment of small enterprises in Balkh district. This study seeks to investigate the roles of financial access, training and skills development, market connectivity, government support, and social networks in shaping the sustainability and success of rural enterprises. By understanding these dynamics, policymakers, development agencies, and local stakeholders can design more effective interventions to unlock the full potential of small enterprises in driving rural economic development.

Research Main Objective

To Identify the factors affecting empowerment of small enterprises in Balkh District.

Research Sub Objectives

1. To examine the influence of financial access on the empowerment of small enterprises in Balkh district.
2. To assess the role of training and skills development in enhancing the empowerment of rural small enterprises.
3. To explore the impact of market access on the empowerment of small enterprises in Balkh district.
4. To analyze the effect of government support and policy on the empowerment of small enterprises in Balkh district.
5. To determine the significance of social networks in empowering small enterprises in Balkh district.

Research Main Question

What are the factors affecting empowerment of small enterprises in Balkh District?

Research Questions

1. How does access to finance impact the empowerment of small enterprises in Balkh district?
2. In what ways does training and skills development contribute to the empowerment of small enterprises in Balkh district?

3. How does market access affect the empowerment of small enterprises in Balkh district?
4. What role does government support and policy play in empowering small enterprises in rural communities?
5. How do social networks influence the empowerment of small enterprises in Balkh district?

Research Hypotheses

1. It seems that Access to Finance has a significant effect on the empowerment of small enterprises in Balkh district
2. It seems that Training and skills development significantly enhance the empowerment of rural small enterprises in Balkh district.
3. It seems that market access significantly affects the empowerment of small enterprises in Balkh district.
4. It seems that Government support has a significant impact on the empowerment of small enterprises in Balkh district.
5. It seems that Social networks significantly contribute to the empowerment of small enterprises in Balkh district.

THEORETICAL FRAMEWORK

Research on the empowerment of small enterprises in rural areas has long been a focus in the field of economic development. In these settings, strengthening small enterprises is vital for boosting household incomes, creating jobs, and stimulating local economic activity. In Balkh district, Afghanistan, rural entrepreneurs face a distinct set of obstacles that limit their growth and effectiveness. These include scarce access to financial capital, insufficient opportunities for skills training, poor connectivity to markets, weak institutional and policy support, and underdeveloped social networks. Each of these challenges plays a critical role in determining the capacity and long-term viability of rural small enterprises, ultimately shaping how much they can contribute to the district's overall economic progress.

However, in the specific case of Balkh district, Afghanistan, rural small enterprises operate within a challenging socio-economic and infrastructural context. Entrepreneurs in these areas contend with multiple structural barriers, such as limited access to finance, which constrains their ability to invest in growth; insufficient training and skills development, leaving many without the managerial or technical capabilities required to run competitive businesses; and restricted market access, which hampers their ability to sell products beyond local boundaries and capture greater economic opportunities. Moreover, the lack of consistent and targeted government support further weakens their operating environment, depriving them of policy-driven incentives, subsidies, and institutional backing. Compounding these issues is the absence of strong social networks, which in many rural areas serve as vital channels for knowledge-sharing, mentorship, collaboration, and resource mobilization. Each of these

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factors plays a decisive role in shaping the empowerment, productivity, and long-term sustainability of rural enterprises. Ultimately, these constraints directly influence the capacity of small businesses in Balkh to meaningfully contribute to rural economic growth, poverty reduction, and the creation of resilient livelihoods.

1. Access to Finance

Financial access is widely recognized as one of the most critical enablers for small enterprise growth, particularly in rural economies. As highlighted by the (World Bank, 2020), access to adequate financing allows businesses to purchase equipment, maintain stock, and invest in resources that enhance productivity and competitiveness. However, in many rural settings, including Balkh district, small enterprises often face serious barriers to obtaining formal financial services due to remote locations, limited banking infrastructure, and a lack of collateral (IFAD, 2019). This often forces entrepreneurs to depend on informal lending channels, which may be unreliable or costly. In Balkh, underdeveloped financial systems restrict many businesses from expanding or competing in wider markets (ADB , 2021). Introducing alternative financial solutions—such as microfinance programs, mobile banking services, or targeted government grants—could ease these constraints and enable small enterprises to operate more effectively.

2. Training and Skills Development

Equipping entrepreneurs with the right skills is central to building sustainable and empowered small enterprises. Training programs in areas like financial management, marketing, and production processes enhance the ability of business owners to make informed decisions and manage resources efficiently. The International Labour Organization (ILO, 2021) notes that the lack of technical and managerial expertise in rural areas is a key barrier to growth. In the context of Balkh, where access to structured business education is limited, skill-building initiatives could help bridge the knowledge gap. Tailored programs that address local needs have been shown to improve entrepreneurs' confidence, decision-making, and innovation capacity (UNDP, 2022). This, in turn, strengthens their ability to adapt to challenges and sustain long-term business success.

3. Market Access

Market access determines how well a small enterprise can sell its products, secure stable income, and develop a sustainable business model. The (OECD, 2018) observes that rural enterprises often struggle with poor infrastructure, weak transport networks, and insufficient information about consumer demand. For businesses in Balkh, limited access to regional or national markets not only curtails their revenue potential but also prevents them from achieving economies of scale. This restriction weakens bargaining power and exposes them to market instability (FAO, 2019). Enhancing market opportunities—by improving roads, creating market linkages, or establishing local trade hubs—could help these enterprises expand their reach, increase earnings, and stabilize operations.

4. Government Support and Policy

An enabling policy environment is vital for rural entrepreneurship. Well-designed government initiatives can remove many of the barriers faced by small enterprises, such as regulatory hurdles, limited funding opportunities, and lack of institutional backing (World Economic Forum, 2020). In Afghanistan, targeted rural enterprise policies—offering tax relief, grants, or capacity-building programs—could help boost entrepreneurship in places like Balkh district (USAID, 2021). (Jütting, J., & Laiglesia, J. R. , 2019) highlight that supportive rural development policies reduce administrative burdens and promote a more favorable business climate. For Balkh's small enterprises, robust policy interventions could unlock access to essential resources, enhance legal protections, and foster long-term growth.

5. Social Networks

In rural contexts, social networks play a powerful role in supporting small businesses. These networks provide entrepreneurs with informal resources—such as mentorship, shared expertise, and collaboration opportunities—that can help them overcome operational challenges. In Afghanistan's rural communities, social connections often act as a bridge to critical resources and market opportunities (Kinyua, 2021). Research also shows that strong community ties foster trust, cooperation, and resilience, allowing businesses to better withstand market shocks (Zewde, T. & Abate, D., 2019). For enterprises in Balkh, cultivating social capital could enhance business sustainability while also strengthening community-driven economic development.

Integration of Factors for Empowerment

For small enterprises in Balkh district, empowerment is not achieved through a single solution—it requires a well-rounded approach that addresses multiple, interconnected factors. Access to finance, skills training, market connectivity, supportive government policies, and strong social networks together form the foundation for entrepreneurial growth and resilience.

Empowering rural enterprises involves more than providing loans or running training programs; it means addressing the underlying economic, structural, and social challenges they face. An integrated strategy—combining financial support, targeted skills development, improved market infrastructure, favorable policy frameworks, and community engagement—can create an environment in which rural entrepreneurs are better equipped to thrive. This conceptual foundation serves as a guide for understanding how these factors interact to influence the empowerment of small enterprises in Balkh district, offering valuable insights for promoting rural entrepreneurship and advancing local economic development.

LITERATURE REVIEW

1. Access to Finance for Rural Small Enterprises

(Kasseeah, H., Coleman, S, & Mason, C, 2020) studied the issue of financial access for rural small enterprises in Sub-Saharan Africa, emphasizing how the lack of adequate funding undermines business sustainability and growth. Their study revealed that rural entrepreneurs often face significant barriers when seeking formal loans, primarily due to insufficient collateral, low levels of financial literacy, and weak financial infrastructure. They noted that alternative financing options—such as microfinance services and digital banking platforms—could help bridge this gap, enabling rural business owners to secure the capital needed for expansion. These observations resonate with the challenges in rural Afghanistan, including Balkh district, where similar structural weaknesses in the financial sector limit the ability of small enterprises to grow and compete effectively.

2. Skills Development and Training for Rural Entrepreneurs

(Akpan, U, Essien, E, & Isong, E, 2022) examined how entrepreneurial skills training influences the empowerment of rural businesses in Nigeria. Their findings highlighted that training in key areas such as business management, financial literacy, and customer relationship management is essential for strengthening the capacity and sustainability of rural small enterprises. They argued that training initiatives must be tailored to address the unique needs of rural entrepreneurs, ensuring that the skills provided are directly applicable to local business contexts. The implications of their study suggest that similar targeted training programs in Balkh district could help overcome the prevalent skills gap, equipping entrepreneurs with the tools to operate and expand their businesses more effectively.

3. Market Access and Infrastructure for Rural SMEs

Reardon et al. (2021) explored the critical role of market access in enhancing the performance of rural small enterprises in India. They found that poor physical infrastructure, high transportation costs, and insufficient market information significantly limited these businesses' ability to tap into broader markets and improve profitability. The study concluded that strengthening infrastructure—particularly transportation networks and digital connectivity—is essential for empowering rural enterprises. These insights mirror the situation in Balkh district, where weak infrastructure and market linkages continue to constrain business growth and hinder expansion into more lucrative markets. (Reardon, T, Chen, K, Minten, B, & Adriano, L, 2021)

4. Government Support and Policy Frameworks for Rural SMEs

Choudhury and Islam (2019) analyzed the impact of government policy interventions on rural SMEs in Bangladesh. Their research showed that regions benefiting from targeted government initiatives—such as financial grants, tax

breaks, and small-business subsidies—experienced stronger business resilience and higher growth rates. They stressed the importance of tailoring policy frameworks to address the specific needs of rural enterprises, which often operate with fewer resources than their urban counterparts. For Balkh district, the study underscores the potential of similar policy-driven support to strengthen small enterprises and promote local economic resilience. (Choudhury, T & Islam, M, 2019)

5. Social Networks for Rural Entrepreneurship

Hernández-Carrión and Peris-Ortiz (2018) studied the role of social networks in sustaining rural entrepreneurship in Spain, focusing on how social capital contributes to the longevity and stability of small enterprises. Their research found that strong community networks offer entrepreneurs valuable informal support—such as mentorship, shared resources, and market insights—especially in geographically isolated regions. They concluded that fostering these networks helps rural businesses overcome operational challenges and access new opportunities. These findings are highly relevant to Balkh district, where geographical isolation and cultural limitations often restrict entrepreneurs' ability to build beneficial business networks (Hernández-Carrión, C. & Peris-Ortiz, M, 2018).

CONCEPTUAL FRAMEWORK:

Developing a conceptual framework to examine the factors influencing the empowerment of small enterprises in rural areas—particularly within Balkh district—requires identifying the core variables highlighted in existing literature and understanding their interrelationships. This framework outlines five critical dimensions: access to finance, training and skill development, market access, government support, and social networks. Each of these factors plays a distinct yet interconnected role in shaping the capacity, resilience, and long-term sustainability of rural small enterprises. The model illustrates how these elements collectively contribute to strengthening entrepreneurial capabilities, enhancing competitiveness, and promoting sustainable business growth in Balkh's rural economy.

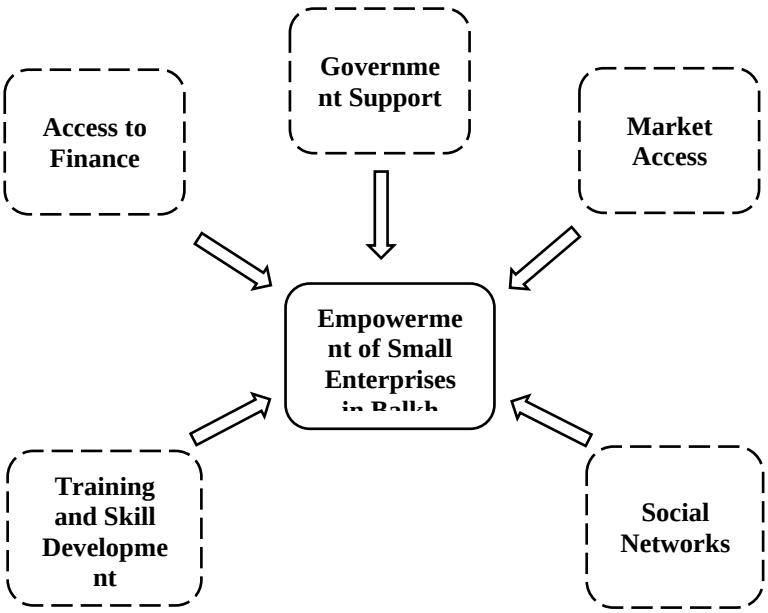


Figure 1: Conceptual framework of the hypothesized model illustrating the proposed relationship between the variables

RESEARCH METHODOLOGY:

This section describes the methodology adopted for the study. In terms of purpose, the research is applied, and methodologically, it falls under descriptive-analytical research. It outlines the research design, target population, data collection tools, analytical techniques, and interpretation methods. Both primary and secondary data were utilized, with the primary data analyzed using IBM SPSS 26. The study employed a combination of analytical tools, including statistical tables, percentages, arithmetic mean, and the one-sample T-test, to address the research objectives. Data was gathered through a 20-question structured questionnaire, predominantly close-ended and designed on a Likert scale.

Study Population:

The research targeted small enterprises actively operating within Balkh district.

Sampling Procedures:

A total of 45 enterprises were selected using a simple random sampling method. Of the 45 questionnaires distributed, 42 were returned, yielding a 93% response rate.

Research Variables:

Table 1: Research Variables

Independent Variables	Dependent Variables
Access to Finance	Empowerment of Small Enterprises in Balkh district
Trainings and Skills Development	
Market Access	
Government Support	
Social Network	

Validity of the Questionnaire:

In research, validity refers to the extent to which a questionnaire produces accurate and consistent results under similar conditions across different contexts. One common approach to ensure validity is to seek input from subject matter experts who can assess the appropriateness and relevance of the instrument. In this study, the questionnaire's validity was reviewed, confirmed, and formally approved by the research supervisor.

Reliability Analysis:

The reliability of the questionnaire, which reflects the consistency of its results, was assessed using Cronbach's Alpha, a statistical measure of internal consistency. The analysis was conducted in IBM SPSS, and as presented in Table 1, the alpha coefficient was calculated at 0.847. Since this value exceeds the widely accepted threshold of 0.7, the instrument can be considered highly reliable for the purposes of this study.

Table 2: Reliability Statistics

Cronbach's Alpha	Number of Items
0.847	42

DATA ANALYSIS AND FINDINGS:

This chapter presents the examination and interpretation of the data gathered during the study. The analysis covers measure of central tendency, dispersion, and distribution patterns. It begins with a descriptive analysis of the survey responses, applying techniques based on the research principles and methodologies discussed in Chapter Three. Following the descriptive overview, a one-sample T-test—as explained earlier—will be used to assess the influence of each independent variable on the dependent variable.

Descriptive Data Analysis:

Descriptive analysis focuses on summarizing and interpreting the distribution of individual variables. This includes evaluating measures such as averages,

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variability, and frequency distributions. The section below provides a descriptive summary of the data collected through the structured questionnaire.

Age of Respondents:

The table below indicates that most participants fall within the active working-age bracket, with the 31–40 years category being the most represented. In contrast, respondents aged over 50 years show lower participation rates, possibly reflecting reduced involvement or underrepresentation of older individuals in the surveyed business community.

Table 3: Age of Respondents

Age of Respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-30 years	10	23.8 %	23.8 %	23.8%
	31-40 years	17	40.48%	40.48%	64.28%
	41-50 years	9	21.44%	21.44%	85.72%
	Above 50 years	6	14.28%	14.28%	100%
	Total	42	100%	100%	

Gender of Respondents:

This section sheds light on the gender distribution among the survey participants, revealing that the business landscape in Balkh district is overwhelmingly male-dominated. The detailed breakdown can be seen in the table below:

Table 4: Gender of Respondents

Gender of Respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	42	100%	100%	100%
	Female	0	0	0	100%
	Total	42	100%	100%	

Education Level of Respondents:

The table below shows that most respondents have attained only primary or secondary education, reflecting generally low to moderate levels of formal schooling. This suggests there may be skill shortages within the workforce and points to a clear need for focused educational and training initiatives to help bridge these gaps and support the ongoing social and economic growth of Balkh district.

Table 5: Education Level of Respondents

Education Level of Respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No Formal Education	8	19.04%	19.04%	19.04%
	Primary Education	19	45.23%	45.23%	64.27%
	Secondary Education	11	26.19%	26.19%	90.46%
	Bachelor	4	9.52%	9.53%	100%
	Total	42	100%	100%	

Types of Small Enterprises:

The data reveals a varied mix of small business types across different sectors. The retail sector leads, making up 35.71% (15 respondents) of the enterprises, highlighting its strong influence on the local economy. Close behind is agriculture, accounting for 28.57% (12 respondents), underscoring the importance of farming as a key source of income in the region. Service-based businesses represent 19.04% (8 respondents), reflecting a moderate presence in the area, while manufacturing makes up the smallest share at 16.7% (7 respondents), indicating some industrial activity is present but less prominent. Detailed figures are shown in the table below:

Table 6: Types of Small Enterprises

Types of Enterprise					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agriculture	12	28.57%	28.57%	28.57%
	Manufacturing	7	16.7%	16.7%	45.27%
	Retail	15	35.71%	35.71%	80.98%
	Services	8	19.04%	19.04%	100%
	Total	42	100%	100%	

Inferential Data Analysis:

This section employs a One-Sample T-Test to assess the hypotheses concerning the factors influencing the empowerment of small enterprises in rural areas, focusing on Balkh district as the case study. Participants shared their opinions using a 5-point Likert scale, where 1 stands for Strongly Disagree, 2 for Disagree, 3 for Neutral, 4 for Agree, and 5 for Strongly Agree. This approach allows for a thorough and statistically sound evaluation of how significant these factors are, based on the views of those surveyed.

Hypothesis 1: It seems that Access to Finance has a significant effect on the empowerment of small enterprises in Balkh district

Table 7: Output 1 Testing of First Hypothesis

One-Sample Test						
	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Access to Finance	-21.515	41	.000	-.83333	-.9116	-.7551

The one-sample test results show a highly significant p-value of.000, indicating that the average score for "Access to Finance" is notably below the neutral point of 3. The mean difference of -0.83333, along with the 95% confidence interval, confirms that respondents generally view access to finance negatively. This means that access to financial resources is seen as inadequate and does not positively contribute to empowering small enterprises in Balkh district. As a result, the hypothesis is rejected**.**

Hypothesis 2: It seems that Training and skills development significantly enhance the empowerment of rural small enterprises in Balkh district.

Table 8: Output 2 Testing of Second Hypothesis

One-Sample Test						
	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Training and Skills Development	17.877	41	.000	.77381	.6864	.8612

The one-sample test results reveal a highly significant p-value of.000, indicating that the average score for "Training and Skills Development" is well above the neutral mark of 3. The positive mean difference of 0.77381, supported by the 95% confidence interval, shows that respondents have a clearly favorable view of training and skills development. This implies that such programs play a vital role in strengthening and empowering small rural enterprises in Balkh district. Therefore, the hypothesis is accepted.

Hypothesis 3: It seems that market access significantly affects the empowerment of small enterprises in Balkh district.

Table 9: Output 3 Testing of Third Hypothesis

One-Sample Test						
	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Market Access	27.166	41	.000	1.50000	1.3885	1.6115

The one-sample test results show a highly significant p-value of.000, indicating that the average score for "Market Access" is considerably above the neutral point of 3. With a positive mean difference of 1.5 and supported by the 95% confidence interval, it's clear that respondents view market access very favorably. This highlights the vital importance of market access in empowering small enterprises in the Balkh district. Consequently, the hypothesis is accepted.

Hypothesis 4: It seems that Government support has a significant impact on the empowerment of small enterprises in Balkh district.

Table 10: Output 4 Testing of Fourth Hypothesis

One-Sample Test						
	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Government Support	-34.679	41	.000	-1.57143	-1.6629	-1.4799

The one-sample test results reveal a highly significant p-value of.000, showing that the average score for "Government Support" is well below the neutral value of 3. The negative mean difference of -1.57143, along with the 95% confidence interval, confirms that respondents perceive government support quite unfavorably. This indicates that government assistance is not effectively contributing to the empowerment of small enterprises in Balkh district. Therefore, the hypothesis is rejected.

Hypothesis 5: It seems that Social networks significantly contribute to the empowerment of small enterprises in Balkh district.

Table 11: Output 5 Testing of Fifth Hypothesis

One-Sample Test						
	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Social Networks	39.034	41	.000	1.58333	1.5014	1.6653

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The one-sample test results show a highly significant p-value of.000, indicating that the average rating for "Social Networks" is well above the neutral benchmark of 3. With a positive mean difference of 1.58333 and supported by the 95% confidence interval, it's clear that respondents view social networks favorably. This suggests that strong social connections play a key role in empowering small enterprises in the Balkh district. As a result, the hypothesis is supported and accepted.

Key Findings:

1. Access to Finance

The average score for access to finance is notably below the neutral midpoint of 3, with a highly significant p-value of.000 and a mean difference of -0.83. This shows that financial resources are currently inadequate and do not effectively empower small businesses in Balkh district. To close this gap, there's a strong need to improve financial support options, such as microfinance schemes, subsidies, or affordable loans.

2. Training and Skills Development

The score for training and skill-building is significantly above the neutral point, backed by a p-value of.000 and a positive mean difference of 0.77. This highlights the important role that education and capacity-building play in strengthening small enterprises in Balkh. Continued focus on workshops, training programs, and skill development will help these businesses perform better and sustain growth over time.

3. Market Access

Market access scored well above the neutral score, with a highly significant p-value of.000 and a positive mean difference of 1.5. This underscores how vital it is for small enterprises in Balkh to reach broader markets. Improving infrastructure, breaking down market barriers, and connecting businesses to larger networks will greatly boost their chances of growth.

4. Government Support

Government support received a score considerably below the neutral mark, with a p-value of.000 and a negative mean difference of -1.57. The perception is that government assistance is lacking and isn't currently helping empower small businesses. There is an urgent need for more targeted policies, including tax breaks, capacity-building initiatives, and regulations that make it easier for small enterprises to thrive.

5. Social Networks

Social networks scored well above the neutral level, with a significant p-value of.000 and a positive mean difference of 1.58. This shows that strong community ties and networks are a powerful force in empowering small enterprises in Balkh. Building and supporting these networks—through mentorship, community

groups, and collaborative platforms—can provide entrepreneurs with valuable resources, ideas, and opportunities to grow.

Summary Hypothesis Testing:

Table 12: Summary of Hypothesis Testing

S. No	Hypothesis	Sig. (2-tailed)	Mean Difference	Association	Result
1	It seems that Social networks significantly contribute to the empowerment of small enterprises in Balkh district.	.000	1.58333	Positive	Accepted
2	It seems that market access significantly affects the empowerment of small enterprises in Balkh district.	.000	1.50000	Positive	Accepted
3	It seems that Training and skills development significantly enhance the empowerment of rural small enterprises in Balkh district.	.000	.77381	Positive	Accepted
4	It seems that Access to Finance has a positive effect on the empowerment of small enterprises in Balkh district.	.000	−.83333	Negative	Rejected
5	It seems that Government support has a significant impact on the empowerment of small enterprises in Balkh district.	.000	−1.57143	Negative	Rejected

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Conclusion and Discussion:

This study sheds light on the key factors shaping the empowerment of small enterprises in Balkh district, with one-sample t-tests revealing some clear patterns. Among all factors, social networks stood out as the most influential, showing a strong positive impact with a mean difference of 1.58. This highlights how crucial connections and collaboration within communities are for entrepreneurial success. Alongside this, both market access and training & skill development showed meaningful positive effects—with mean differences of 1.50 and 0.77 respectively—emphasizing the need to open up market opportunities and equip entrepreneurs with the skills they need to thrive over time. On the other hand, access to finance and government support received negative perceptions, with mean differences of -0.83 and -1.57, signaling serious gaps in financial and policy support that are currently holding back small businesses in the district. These findings suggest an urgent need for practical solutions like expanded microfinance options and more focused government initiatives to better support these enterprises. The struggle with access to finance is particularly pronounced,

reflecting similar challenges documented by Kasseeah, Coleman, and Mason (2020) in Sub-Saharan Africa, where rural entrepreneurs face obstacles such as limited collateral, poor financial literacy, and weak banking services. Balkh's rural businesses face a comparable reality, where formal financial services are either unavailable or not suited to their needs. Alternative financing methods—like community lending, mobile banking, and microfinance—could provide vital relief, just as they have elsewhere. Training and skill development emerged as a powerful enabler for enterprise growth, reinforcing findings from Akpan, Essien, and Isong (2022). Their work shows how business management education, financial know-how, and customer relations skills are essential for sustaining rural businesses. Entrepreneurs in Balkh can benefit similarly by gaining the knowledge and confidence needed to manage resources wisely, overcome challenges, and seize new opportunities. Market access also proved critical, aligning with research by Reardon et al. (2021) that points to the importance of improving transport infrastructure, reducing barriers to entry, and offering better market information. In a region like Balkh, where road conditions and digital connectivity are often lacking, those businesses that do manage to reach wider markets enjoy clear advantages—a pattern seen worldwide. Government support was perceived as lacking, echoing observations from Choudhury and Islam (2019) in Bangladesh, where small businesses suffered due to insufficient policy backing. Balkh's small enterprises face similar hurdles, with a shortage of tax incentives, grants, or targeted programs to build their capacity. This underscores the pressing need for responsive, inclusive policies that can help rural entrepreneurs become more competitive and financially stable. Finally, the strong positive effect of social networks matches findings from Hernández-Carrión and Peris-Ortiz (2018), who highlighted how social capital—through mentorship, resource sharing, and market insight—supports rural entrepreneurs. In Balkh, close-knit community ties help businesses navigate isolation and tap into shared knowledge, showing how vital these relationships are for growth and resilience.

In summary, the study clearly points to the need for a comprehensive approach to empower small enterprises in Balkh. By nurturing social networks, enhancing market access, and investing in training—while simultaneously tackling financial and government support challenges—the environment for entrepreneurship can become far more supportive, encouraging sustainable growth and prosperity.

Recommendations:

1. **Improve Access to Finance:** It's important to create financial programs specifically designed for small rural businesses. This could involve offering microloans, low-interest financing, and grants to help them grow. Alongside this, providing financial literacy training will empower entrepreneurs to better manage and make the most of these funds.

2. **Boost Government Support:** The government should put in place policies that directly benefit small businesses, such as tax breaks, easing regulations, and programs that encourage business development. Partnering with NGOs and other organizations can also help build a supportive environment where small enterprises can thrive.
3. **Expand Training and Skill Building:** More resources should be directed toward training initiatives—like hands-on workshops, technical courses, and mentoring—that teach practical skills and modern business strategies. Encouraging the adoption of new technologies will also help entrepreneurs stay competitive and innovative.
4. **Enhance Market Access:** Improving infrastructure and reducing obstacles that block small businesses from entering markets is vital. Efforts could include developing local markets, launching digital platforms for online sales, and strengthening supply chains, all of which will help businesses reach a wider and more varied customer base.
5. **Harness the Power of Social Networks:** Supporting the creation of business networks, cooperatives, and community groups can provide entrepreneurs with valuable opportunities to share resources, get guidance, and collaborate. These connections foster an environment that encourages growth, innovation, and mutual support.

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