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Self Help Groups And Women Entrepreneurship In India: A Review Of Existing Literature

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Abstract-

Entrepreneurship have been observed as one of the most important elements contributing to the socio-economic development of the society. In India women entrepreneurship is at very inception period and women now have found to be entered in different field of business. Therefore, women are also contributing much to the improvement of economy and socio-economic development. Government has introduced several schemes for encouragement and upliftment of women entrepreneurs in India. Self-Help Groups have become the best platform for rural women to step towards the field of entrepreneurship. This paper focus on the development of women entrepreneurship through the help of Self-Help Groups in India.

Key words- Women Entrepreneurs, Rural Women, Women Empowerment, Self-Help Groups

Introduction-

Indian women had undergone a long way and are increasingly visible and getting successful in all spheres and shifted from their traditional domestic role in kitchen to a higher level of professional and skilled activities. Women are contributing largely to the socio-economic transformation. Today many women have established their entrepreneurial empire and successful too. Women entrepreneurship is a recent circumstance in our country which notably came into account in late 1970s and now we see that more women are rising as entrepreneurs in all kinds of businesses and economic activities. Self- Help groups have boosted the hidden entrepreneurial potentials of the talented women by providing them the right skill and platform for learning and exposure.

Self-Help Group is a small group of rural poor women comprising of 10-20 members hailing from similar socio-economic background who mutually agree to contribute for group saving and group activities. SHGs have been successful in empowering rural women through entrepreneurial activities with increase in

income, expenditure and saving habits of rural women, leaving major impact on socio-economic life of rural women. SHG is the only platform which aims at empowering by infusing entrepreneurial skill in the rural women. It aims to uplift group activities in the form of collective action that always work better than individual efforts.

Women play a crucial role in the economic development of India. They are involved in business activities in all fields and levels, noticeably contributing to economy of country. But still development of women entrepreneur is very low in rural areas of our country, SHGs are giving platform to women to rise as a women entrepreneur. Women now a days, are motivated towards entrepreneurship through SHGs with the help of microfinance. To alleviate the rural poverty and to empower the women, India has adopted Bangladesh's model in a modified form, microfinance has emerged as a powerful tool in the economy. With the availability of microfinance, SHGs are growing in the country enabling its member to become an entrepreneur (Dhekele, 2016)

Methodology- This study is based on secondary data comprising of available literature, official websites, journals, magazines and reports from NABARD.

Objective-

1. To study the available literature related to Self-Help Group and Entrepreneurship.
2. To study the role of SHGs in women entrepreneurship development.

Review of existing literature-

Reddy & Manak (2005) concluded that the SHGs federations are emerging as community owned dominant form of microfinance institutions, so there is a need for significant investment in providing institutional building support.

Sharma & Varma (2008) found Self Help Groups (SHGs) The study revealed an increase in social recognition of self, status of family in the society, size of social circle and involvement in intra family and entrepreneurial decision making. There was an increase in self-confidence, self-reliance and independence of rural women due to the involvement in the entrepreneurial and other activities of SHGs. SHGs could be linked to literacy programs run by government, and it could be made an integral part of SHGs activities. Raised literacy level could be helpful for the SHG members to overcome cognitive constraints and to understand government policies, technical understanding and gaining requirement skills. Rural women could be motivated to avail finances for starting the entrepreneurial activities. Awareness created about various credit facilities, financial incentives and subsidies through Self-Help Groups. As women were found technologically less empowered, they are to be imposed to the technologies which are labour saving, drudgery reducing, income generating and productivity increasing. Entrepreneurship education and trainings could be introduced at all levels from basic education. It could be helpful in inducing positive self-concept, self-reliance, self-confidence and independence in rural women.

Venkatesh (2009) in his study found that in order to change face of socio-economic development of rural areas microenterprise and SHGs play important role. SHGs significantly become responsible for the generation of income and standard of living among the rural poor people and weaker sections of the society.

Das (2012) suggested that formation of SHGs and financing to them by banks and Microfinance institutions only will not help much to bring success and solve the problems of rural or micro entrepreneurship but constant motivation to them to confine to saving irrespective of their difficulties, selection of projects on consensus of members, and access to credit are essential for starting up a self-employed income generating enterprise.

Singh (2012) stated that Himachal Pradesh has a good record of status and functioning of Mahila Mandals for employment generation for women through the formation of Self-Help Groups in rural areas, for raising per capita income of women. Cash awards were given to the group who performed well. They work in the villages to eradicate liquor shops and to promote women's economic empowerment. SHGs are emerging as a success story in Himachal Pradesh. It was learnt that loan repayment of 95 per cent of the SHGs in the state is 100 percent. The SHGs are involved in a diverse economic activity, such as agro-based business, handicrafts, floriculture, livestock farming, papad making, tailoring and carpentry, running of fair price shops etc. to be gainfully employed and augment household incomes. The higher percentage of work participation of women and effective functioning of Mahila Mandals and SHGs have raised the level of women's involvement in household decision making. The female workforce participation in Himachal Pradesh was found to be 48.9 percent, higher than other major states and much higher than that of India's average 26.0 percent. The NFHS II (1999) report maintains that in Himachal Pradesh, 80.1 percent of women have access to surplus money as compared to 66.2 percent in Kerala and 78.3 percent in Punjab.

Khaki & Sangmi (2012) have shown that the microfinance initiatives in the District Anantnag in the form of SHG-Bank Linkage Programme have significantly increase income and savings of the SHG members which decreases their vulnerable situation. Thus, there is a need for up scaling of microfinance interventions so that the entrepreneurial talent of the poor is unleashed to achieve the laudable objective of inclusive growth and poverty alleviation.

Roy & Battacharya (2013) in their study found that women have participated in different economic activities with the help of SHGs and they have learned different entrepreneurial techniques and skills with help of NGOs and government. The study found that there is direct relation between women empowerment and micro-enterprises development.

Saikia & Patwari (2013) have shown that, the newly grown up institution, namely Self Help Groups (SHGs) has proved to be important institution for financial inclusion and is a very good solution for channelizing the credit availability to the rural masses of Arunachal Pradesh. In supplying of credit to the

rural masses for strengthening their livelihood, addressing poverty, social development, savings, investment and even women empowerment SHGs are found to be playing a major role.

Suprabha (2014) has concluded that microfinance can be an effective strategic instrument for poverty alleviation only if it is used for income generating microenterprise development. Since the members of SHGs belong to the poor and weaker sections of the society, the prospect and survival of SHGs ultimately depends on their graduation towards microenterprise development for generating income to improve the standard of living of its members.

Dhekele (2016) observed that SHGs have created tremendous impact upon the life pattern and style of poor women and empowered them at various levels not only as individuals but also as members of the family members of the community and society. With microfinance, positive changes in their socio-economic behaviour and enhancement of their status and value, be seen. SHGs have injected a positive change in their socio-economic development and enhanced their status. Women enterprises are facing lots of problems in our country, like they are facing social, financial, personal, marketing, technological, educational, competition, managerial etc.

Dutta (2016) observed that the motivating factors of women entrepreneurship is to earn money for increasing family income followed by the motive to secure self-employment. In the study area most women were engaged in entrepreneurial activities in field of handicrafts and handloom weaving followed by piggery farm, poultry farm, diary farm etc. But the desired rate of growth of women entrepreneurship is hard to achieve due to the manyfold constraints like financial, marketing problems, production problem etc. The hurdles of women entrepreneurs are far more than their male counterparts due to the existence of restrictions and societal taboos. This study found that majority of women entrepreneur faced the financial problems followed by the marketing problems.

Leelavati & Sulaimani (2017) analyzed the market challenges and marketing opportunities of women entrepreneurs of SHG members relating to their various marketing variables such as price and grading challenges that are significantly related. Because often MNCs, big producers and shopping malls are sited near SHGs products market due to this factor pricing and grading becomes a major challenge for women SHG entrepreneurs in Chennai City. But rest variables were not found to be significantly related due to small amount of production, direct marketing is anyway possible therefore storage, transportation and advertisement do not pose as a big challenge for them. The study concluded that women entrepreneurs in Chennai city are not facing many challenges but having fine opportunities they are unaware of the dynamic market development. Hence, they must identify good opportunities offered to them by the government NGOs and agencies and avail them at the best possible way.

Gopalkrishna & Manjunatha (2018) observed that SHGs are by their activities and supports to their member help to overcome the hurdles in the way of social entrepreneurs, particularly in the rural India, generally everywhere. Thus, SHGs can be one of the mechanism to promote social entrepreneurs.

Vejju (2018) found out in a study that the percentage share of micro enterprises were higher than small and medium enterprises in total MSME sector in Andhra Pradesh. But after the year 2013-16 percentage share of small and medium enterprises also were found to be rising with the help of several government policies and promotions. Study found that, Nellore city in Andhra Pradesh have the major share of SHG promoted micro-enterprises in the state. In terms of percentage share it was revealed in the study that women entrepreneurs occupy 60 percent share and men entrepreneurs occupy 40 percent of total entrepreneurs in the study area. The higher percentage of women entrepreneurs shows the positive impact of SHGs in promoting micro-enterprise in study area.

Minimol (2020) conducted a study to find out the level of entrepreneurial competencies achieved by women micro-entrepreneur (both members and non-members of SHGs). It was revealed in the study that there exists significant difference (at 95% confidence level) between the levels of entrepreneurial competency of members and non-members. In terms of contribution of SHG was found to be a facilitator of entrepreneurial competency development in their members, who become micro entrepreneurs. The study appreciate the role of SHG in promoting entrepreneurial competency among its members.

Yadav (2021) state that various factors encourage women to start entrepreneurial activities such as economic independence, financial independence, craving for own identity in society etc. Also, success stories of friends and relatives also motivate them to great extent in establishing new enterprise. Government of India is promoting entrepreneurial activities for women through various policies and programs. But still rural and poor women are facing lots of challenges in the way of entrepreneurship such as lack of fund, lack of awareness etc.

Grover (2022) found that women entrepreneurs' monthly income grew considerably after joining SHG in terms of earnings generation and contribution to the family income, access to the bank and other financial services, savings, deposits, and investments, as well as control and access to family assets. It has given them more authority over decisions increased their participation in household financial planning, and helped them manage household financial needs, all of which have enhanced the family's standard of living and asset acquisition capability since joining the SHG.

SHG Coverage and Financial Inclusion-

As of March 31st 2024, 14.42 million SHGs had saving linked with different banks, out of which 83.51 percent are exclusively women SHGs. Credit linked to a total of 5.48 million SHGs during 2023-24 and 97.04 percent of these were all women groups, highlighting strong participation of women SHGs and very impressive credit discipline with high repayment rate of over 90 percent. The average loan amount disbursed per SHG during 2023-24 was Rs 38.2 million, indicating a steady increase in the scale of financial support provided as their financial discipline record grows (NABARD, 2023-24).

SHGs and women entrepreneurs-

Skill Development Programmes for SHGs such as Micro-Enterprise Development Programmes (MEDPs) and Livelihood and Enterprise (LEDPs) are the programs supported by NABARD to impart skills for setting up micro-enterprises in farm and off farm activities. As of March 31st 2024, 6.12 lakh SHG members had been trained under 20,822 MEDPs and 3 lakh members supported through LEDPs. During 2024-25 NABARD has sanctioned financial assistance of Rs 17.39 lakh for LEDPs and Rs 29.47 lakh for MEDPs. The initiative has resulted in the skilling of around 900 SHG members.

The mission also promotes micro-enterprise in areas like handicrafts and food processing through sub schemes such as 'Start-up village Entrepreneurship program (SEVP) which has supported over 3.74 lakh enterprises (NABARD reports).

Lakhpati Didi Schemes aims to create over 3 crore women entrepreneurs in three years by enabling matured SHG members to graduate to micro-entrepreneurship. As on June 2025, around 1.48 crore lakhpati didi were formed showing a great success of the scheme (Dept. of Rural Development).

Micro Entrepreneurship and some success stories of SHGs (NABARD reports)-

1. Lizzat Papad (Mumbai)- It is the most successful examples of a women's SHG. It was started by seven women in Mumbai in the year 1959 and later it has grown into a multi-million dollar enterprise, providing livelihood to thousands of women across the country through the production and sale of papads.
2. Kudumbashree (Kerala)- It has over 4.3 million members has successfully fostered thousands of micro-enterprises in food processing, catering (generating Rs 1.27 crore in two days during one event), sanitation and many other services. It is significantly contributing to poverty alleviation and women empowerment in Kerala.
3. Saraswati Mahila Sangham (Telangana)- It deals with millet biscuits, generating average sales of Rs 1 lakh per month and an individual income of Rs 15,000-Rs 18,000 by selling through exhibitions and retail chains.
4. Denlang (Manipur)- Through activities like mushroom farming, vegetable farming, weaving and poultry, this group grew their corpus fund to over Rs 2.5 lakh by 2021 from zero balnce in 2014.
5. Smt. Kusumben Kalidas Patel (Gujarat)- A member of Gurukrupa SHG works in preserving mango pulp, earning extra income of Rs 45,000 to Rs 55,000 per year.
6. Rupa Goswami (Assam)- A member of the Manasha SHG, started a small dairy unit with a loan of Rs 30000, now earns Rs 29,000 to Rs 31,000 every month and also owns 7 Jearsey cows producing 40 litres of milk every day.
7. Chintan SHG (Delhi)- It supports rag picker and trash workers. They manufacture masks out of discarded bedsheets and garments to deliver to rag pickers. This group has already distributed over 1000 of these masks with many more on the way.

8. Chamoli SHG (Uttarakhand)- This group makes Prasad using locally grown goods like Chaulai and making profit of Rs 10 lakh on the total income of Rs 18 lakh.
9. Komal SHG (Punjab)- This group in Punjab started a papad and wadiyan (dried lentil dumplings) enterprise with an initial investment of only Rs 20,000. Through dedication and training, they now have an annual income of over Rs 4 lakh.
10. SHG run Mid-day meal programs (Andaman & Nicobar)- An SHG secured tender from education department and has successfully supplying Mid-day meals to school children for over 15 years, generating a stable monthly income for its members.

Conclusion- SHGs has helped women not only to find work but also improve their financial situation through entrepreneurship. It was observed that with entrepreneurship, monthly income of SHG members grew considerably in terms of savings, income generation, contribution to family income, access to banks and other financial services. It has given them more authority over decisions making, increased their participation in household financial planning and help them manage household financial needs, all of which has enhanced family's living standard and asset acquisition capability since joining the SHG. SHGs acted as the best platform for rural women that have produce many entrepreneurs with the help of microfinance. SHGs have shown the best path to the rural poor women who were earlier limited to their traditional household chores only now have a platform to showcase their talent which were hidden for decades because of no exposure, guidance and proper platform.

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