



FOSTERING RURAL WOMEN ENTREPRENEURSHIP THROUGH SELF HELP GROUPS

VAISHNAVI SHARMA¹, PROF. R. P. SINGH²

¹Research Scholar, Deen Dayal Upadhyaya Gorakhpur University, Gorakhpur, UP, India

²Department of Commerce, Deen Dayal Upadhyaya Gorakhpur University, Gorakhpur, UP, India

Abstract—

Empowering women has always been a major determinant when multidimensional development of the country is focused upon. Yet, financial autonomy, decision making, skill development and social mobility of rural women is quite questionable. The paper highlights the contribution of Self Help Groups (SHGs) which are financial intermediaries working towards building constructive entrepreneurship among rural women. The emergence of SHGs has played a significant role in reshaping the identities of rural women and fostering entrepreneurial skills among them. However, researches including SHGs lack the identification of efforts made so far in building entrepreneurial skills. Also, the studies have principally been more around the social concept than an issue of identifying intricate efforts to recognize, build and support entrepreneurs, and foster an environment of sustained entrepreneurial growth to achieve economic wellbeing, greater productivity, quality of life and financial self reliance among the masses. The main objective of this descriptive research is to identify all contributing factors that help in building entrepreneurial skills among rural women along with the efforts made so far in leveraging them in achieving optimum benefits of entrepreneurial development by self help groups. Data were generated from various research projects, published articles, reports of the censuses and other published graphs and charts that helped in exploring the topic. The analysis summed up that SHGs have been successful in fostering entrepreneurial development and spurred a significant shift in the number of women entrepreneurs along with an improvement in their income, standard of living, decision making as well as their economic contribution in the family and society in rural areas. Lastly, it highlights all the factors encouraging as well as hindering growth of women entrepreneurs in the same context. The study suggests the significance of SHGs and measures to promote the identified factors to achieve entrepreneurial development among women for an inclusive growth and sustainable development of rural areas.

Keywords: entrepreneurship, self help groups, inclusive growth, entrepreneurial skills.

[I]**INTRODUCTION**

Empowering women has always been a critical determinant when multidimensional development of the country is focused upon. Rural women constitute a significant part of Indian population, yet their potentials are barely tapped due to social, economic, cultural and most importantly financial barriers. Lack of education and awareness, unemployment and financial dependence, restricted mobility and bounding societal norms have made rural women a suppressed part of the economy. And hence whenever holistic sustainable development is looked upon, women are the most primary aspect to be considered. In this regard, Self Help Groups have emerged as transformative grassroots level institutions which work as financial intermediaries that foster constructive entrepreneurship in rural areas. SHGs focus on providing financial aid and assistance, skill development opportunities and wide platform in developing identities that helps enabling rural women to break societal norms, master entrepreneurial skills and equivalent economic contribution in the development of rural areas.

[II]**REVIEW OF LITERATURE**

Alam et. al.(2012) in their paper “Role of Micro Finance & Self Help Groups in Women Empowerment: A case study of district Mewat” discussed about the linkage of SHGs with banks and other government schemes. [1]

Aggrawal et. al.(2020) in their paper Empowering women of SHGs through micro finance in Uttar Pradesh discussed about the empowerment of women both socially and economically in the area of Agra, Muzaffarnagar, Bareilly, Meerut and Ghaziabad district. It also shows that education has significant impact on all the aspects of SHG members. [2]

Kumar K (2020) in their paper empowering women through microfinance: evidence from Uttar Pradesh that with the formation of SHGs women have become aware and are able to generate earnings and become self employed. [3]

Rukshana et. al. (2014) in their paper “Constraints faced by Rural women members in functioning of SHGs in Allahabad District of Uttar Pradesh” discussed about the hindrances faced in effective implementation of the objectives of Self Help Groups in the district. [4]

Priya Jadon (2021) in their paper “SHG: a mode to change the status of women in Uttar Pradesh” has discussed about the recent status of women in Uttar Pradesh and the contribution made by SHGs in triggering those changes. [5]

[III]**OBJECTIVES OF THE STUDY**

1. To study the factors affecting the growth of entrepreneurial skills among rural women.
2. To study the government schemes focused on empowering rural women entrepreneurs through SHGs.
3. To study the impact of SHGs on women entrepreneurs.

[IV]**RESEARCH METHODOLOGY**

The study follows a descriptive methodology and a conceptual approach. The data collected are secondary in nature and have been collected from different research papers, journals and articles.

Data regarding different government schemes have been sourced from government websites and press releases.

[V]

DISCUSSION AND ANALYSIS

5.1 Factors Encouraging Entrepreneurial Growth

Several factors contribute to the success of SHGs in fostering entrepreneurship:

1. **Supportive Policies:** Government initiatives like the National Rural Livelihood Mission (NRLM), Deendayal Antyoaya Yojna (DAY), Mahila e-Haat, Rural Self Employment Training Institutes etc. have significantly reinforced SHG activities.
2. **Community Engagement:** people have become more aware about the effective utilization of intermediaries like SHGs which help in fostering changes into their lives and thus local community have started supporting and encouraging the active participation of women in SHG activities.
3. **Access to Technology:** Technology-driven solutions such as mobile banking and e-commerce platforms have enhanced SHG operations and market reach. It has become much easier to reach out to larger markets with good internet connectivity in remote areas.

5.2 Challenges Hindering Growth

Despite their success, SHGs face several challenges:

1. **Limited Resources:** Inadequate funding and infrastructure restrict the growth of SHG-led businesses.
2. **Skill Gaps:** Many SHG members lack advanced skills required for scaling up their enterprises.
3. **Cultural Barriers:** Deeply ingrained social norms often discourage women from pursuing entrepreneurial ventures.
4. **Market Constraints:** Limited access to larger markets and competition from established businesses poses significant hurdles.

Table 1

S. No.	Problem	yes	%	no	%	total
1	Lack of training facilities	94	62.33	56	37.67	150
2	Improper utilization of funds	110	73.40	40	26.60	150
3	Difficulty in accounting record	100	66.50	50	33.50	150
4	No support from family members	34	22.80	116	77.20	150
5	Difficulty in group formation	124	82.50	26	17.50	150
6	Less Marketing opportunities for product	107	71.5	43	28.50	150

Source: Gupta, B., Garg, K., & Gupta, N. International Journal of Sciences & Applied Research. [7]

The above mentioned table from a study conducted on women empowerment through self help groups in the Ghaziabad district of Uttar Pradesh, highlights the major problems faced by people in inducing entrepreneurial growth among them. It can be observed that a majority of 82.5% people find difficulty in group formation and maintaining cohesion in group. Despite of relentless work of government and different institutions towards fixing fund gap, yet it can be observed that

another 73.4% people believe there is improper utilization of funds. Some other main problems hindering entrepreneurial growth are: less marketing facilities of the product, difficulty in accounting records and lack of training facilities.

5.3 Government Schemes Focused on Empowering Rural Women

The Government of India has launched several schemes aimed at empowering rural women, many of which align with the objectives of SHGs. These schemes include:

1. **National Rural Livelihood Mission (NRLM) - 2011:** A flagship program designed to promote self-employment and entrepreneurship among rural women through SHGs. It provides financial support, training, and market linkages.
2. **Deendayal Antyodaya Yojana - 2015:** Focused on alleviating rural poverty by encouraging skill development and entrepreneurship through SHGs.
3. **Mahila E-Haat - 2016:** An initiative under the Ministry of Women and Child Development, this platform enables women entrepreneurs and SHGs to showcase and sell their products online.
4. **Rural Self-Employment Training Institutes (RSETI) - 2009:** These institutes offer free skill development training to rural women, enabling them to start their ventures.
5. **Support to Training and Employment Program for Women (STEP) - 1986:** Aimed at enhancing the skills of rural women in traditional and non-traditional sectors for sustainable employment and income generation.
6. **Pradha Mantri Mudra Yojana (PMMY) - 2015:** Provides microfinance loans to entrepreneurs, including women, to encourage small and medium-scale businesses.
7. **SABLA Scheme - 2010:** Focuses on empowering adolescent girls through vocational training and education to prepare them for entrepreneurship.

5.4 Impact of SHGs on Women Entrepreneurs

The influence of SHGs on the lives of rural women has been transformative. Key outcomes include:

1. **Economic Empowerment:** Women's participation in SHGs has led to increased income levels, better financial management, and reduced dependence on male family members.
2. **Social Mobility:** SHGs provide platforms for women to interact with wider communities, breaking traditional social constraints.
3. **Decision-Making Power:** Women involved in SHGs report greater involvement in household and community decisions, enhancing their sense of agency.
4. **Quality of Life:** Improved financial independence has contributed to better education, healthcare, and living conditions for women and their families.

[VI]

SUGGESTIONS

To enhance the effectiveness of SHGs in fostering women entrepreneurship the following suggestions are offered:

- a) Focused training on skills related to technology management, financial planning and management, digital marketing etc. is required.
- b) Streamlined process of fund acquisition for better business development is required to be implemented.

- c) SHG products must be protected in large market areas where they are not suppressed by renowned products of bigger brands.
- d) Focus must also be made on creating awareness among the market regarding participation of women in entrepreneurial activities.

[VII]

CONCLUSION

Self help groups have emerged as a powerful tool for fostering entrepreneurship among rural women and encouraging them to contribute into the economy and also support the families and groups financially. Despite all the social and cultural challenges, by far, SHGs have proved to be successful in tapping entrepreneurial skills among rural women and help in inclusive growth and sustainable development of both rural women and the economy.

[VIII]

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