

# A Review of Women Entrepreneurship Through Self-Help Groups

Mangleshwar Gupta<sup>1\*</sup>, Dr. Lokendra Vikram Singh<sup>2</sup>

<sup>1</sup> Research Scholar, Madhyanchal Professional University, Bhopal (M.P.), India

Email: mangleshwarg@gmail.com

<sup>2</sup> Professor, Faculty of Commerce & Management, Madhyanchal Professional University, Bhopal (M.P.), India

**Abstract - The ever-changing terrain where collective empowerment propels economic growth is shed light on in Women Entrepreneurship via Self-Help Groups. Whether in a rural or metropolitan area, these organizations play an essential role as incubators, providing access to capital as well as the support, connections, and training that entrepreneurs need to launch and grow their businesses. While examining the many possibilities and threats that women-led companies confront, this investigation dives into the resiliency and creativity that define these organizations. This analysis aims to find avenues for boosting women's economic involvement and empowerment by evaluating policy frameworks and support structures. Come explore the fascinating world of women entrepreneurs via self-help groups as we delve into their experiences, methods, and the power of transformation. Examine the ways in which self-help organizations encourage female entrepreneurs in this article.**

**Keywords: women, entrepreneurship, self-help groups, skills, psychology, economy.**

-----X-----

## INTRODUCTION

When it comes to bettering India's economic situation, women are crucial. The impact they've had on businesses of all sizes has been encouraging for the expansion of the economy. When starting a business, there are a lot of variables that must be considered, including financial, social, cultural, religious, and, most significantly, psychological ones. Since the 1990s, there has been a noticeable increase in the number of women who choose to start their own businesses. At the present time, research indicates that 10% of India's entrepreneurs are women. If the present trend continues, during the next five years, women will make up 20% of the entrepreneurial force. Because it has been shown to promote growth in all areas of society and the economy, women's entrepreneurship is both essential and basic. Not only does this help individuals and others find work throughout the nation, but it also solves problems related to management, organizations, and business via creative thinking and the right tools. In addition to this, it helps families and communities prosper financially, which in turn reduces poverty.[1]

## WOMEN ENTREPRENEURSHIP PLAN

When a group of women start, coordinate, and run a company, we call them entrepreneurs. The Indian government has recognised businesses run by women as "women entrepreneurs" if they employ at least 51%

female workers and hold or control 51% of the company's capital. For many women, the desire for financial independence and more agency in their professional and personal life are two of the primary motivating elements that lead them to pursue entrepreneurship. Realizing they are capable of more than simply keeping the house running, women are eager to contribute financially to their families and the nation as a whole.

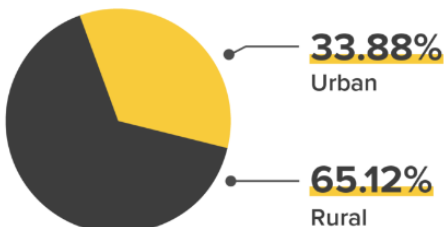
## Women Entrepreneurs in India

Entrepreneurship is seen as a crucial component in contributing to the progress of the community. A gender-focused universal entrepreneurship study, published in 2013 by computer manufacturer Dell and Washington-based advisory firm Global Entrepreneurship and Development Institute (GEDI), found that India is one of the worst countries for women entrepreneurs. India ranks sixteenth, narrowly ahead of Uganda, out of the seventeen nations examined. India ranked worse than all other nations in the universe when it came to secondary education for women. As it is, women can only fulfill the role of entrepreneur in high-turnover manufacturing units and businesses pertaining to automation. Women are similarly underrepresented in industrial units with low turnover rates. Women only managed percent of the small enterprises in India's industrial sector, according to a nationwide study. While the number of women operating their

own businesses is on the increase globally, many women still face barriers that prevent their businesses from thriving, such as a lack of capital, strong societal restrictions, limited availability of skilled workers, and a lack of experience. [2]

### Women entrepreneurs in India

Total number of establishments owned by women entrepreneurs are **8,050,819**



Women business owners, according to research, boost national coffers, create global competition by disseminating novel ideas and products, and contribute to economic growth. Women are more attuned to people and customs, have superior leadership skills, and are better at maintaining long-term financial relationships. In doing so, they are launching themselves headfirst into the commercial universe. Their expansion into electronics, engineering, and energy came after they had already established a name for themselves in the kitchen-related powder, paapad, and pickle industries. [3]

### SELF HELP GROUPS

#### Concept of Self-Help Groups

The idea of a self-help group originated in the late 1990s, when a loose confederation of individuals began to organise into an organization with the goal of regularly setting aside funds for shared expenses. These credit systems in rural areas are peer-controlled, self-governed, and do not need any kind of guarantee. People from the same socioeconomic, cultural, and social background make up a group's homogeneity. [4]

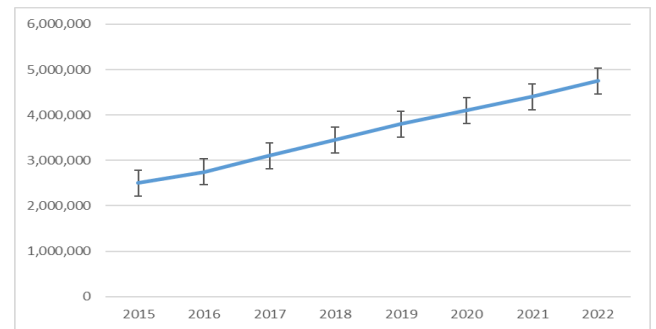


Figure 1: Number of Self Help Groups

#### Features/ Characteristics of Self-Help Groups

In order to boost their productivity, low-income individuals often band together in self-help groups.

- Their borrowing mechanism is risk-free and guaranteed.
- Background uniformity reduces the likelihood of disputes.
- Microfinance as a means of generating revenue
- Making a living as a sole proprietor in outlying regions
- Gaining insight, experience, and agency
- Adaptable and versatile

#### The History of Indian Self-Help Groups

After India gained its independence, the government made a concerted effort to ensure that rural residents could more easily utilize the country's official credit system. Some of these steps are institutional in nature, while others were made possible via the execution of initiatives aimed at alleviating poverty in rural regions. This is an unprecedented feat for the Indian banking sector, since it allows them to reach out to rural and non-urban regions in order to give loans and other services to underserved parts of society. In order to make the financial system accessible to the most vulnerable members of society such as small-scale farmers, artisans without access to urban centers, agricultural laborers without access to land, and others living below the poverty line there is a strong emphasis on expanding and modernizing the banking network and introducing new instruments and packages of credit. [5]

Because of factors such as a lack of jobs, inadequate banking lending facilities, and other similar issues, a disproportionately big portion of India's population lives in rural regions, where wealth inequality is common. The result was the 1990s rise of grassroots organizations that catered to the needs

of the economically disadvantaged, particularly women, by establishing a rural credit system.

Small financial organizations that allow low-income people to regularly electively save money have been made possible by the combination of self-help groups with banks after 1991–1992. In times of need, this risk-free loan comes in handy. The impoverished might use this as a method to cut down on their spending. This encourages women to save money, which in turn increases female representation in political, economic, social, and cultural decision-making processes. Through shared experiences and strategies, members of self-help groups are able to gain independence and start their own businesses.

Therefore, the number of people living below the poverty line has decreased from 272.7 million in 1984–85 to 210.8 million in 1989–90, and from 1991–2000, it has remained relatively stable at over 21% of the total population, all thanks to various poverty improvement programs. Many operational holdings anticipated that it would surpass 100 million, with over 80% of that total consisting of smaller and less significant holdings. People living in non-urban regions are growing in number and have a larger demand for access to formal credit; hence, it is crucial that the system of institutional credit rises to the task of delivering credit to these places. [7]

### Why Self-Help Groups Are Necessary and Valuable

The imbalanced distribution of income and the disproportionate accumulation of riches by a few number of individuals have been major motivating factors in the rise of self-help organizations. Extreme poverty, unemployment, and bad living circumstances are due to the lack of a bank credit system in rural, outlying communities. The women and the impoverished are given the tools by the self-help organizations to become economically independent, get education and work experience, and improve their financial situations over time. This is a great way for them to start their businesses.[8]

### Self-Help Group Purposes

- Women and marginalized groups often engage in informal groupings that generate revenue or engage in self-employment.
- Serve as intermediaries between the various branches of the government and the bank.
- They stress the importance of frugality to the members of the group. A means of alleviating poverty, to a certain degree.
- The nation's economy and production service benefit from your contribution.
- Getting the word out about people's rights, education, and abilities to ensure the business runs well.
- Encourages rural inhabitants to stand together and

feel a part of something bigger.

- Improved capacity for making decisions, quality of life, and livelihood.
- Permitting advocates to behave in a naturally submissive and dependent manner.
- Encouraging all economically disadvantaged, dependent, and weak individuals to join this cooperative effort so that they might assist themselves and propel their own progress.

**It is associated with the following five Ps:**



**Figure 2: Our SHG's Role**

**Propagator of Voluntarism:** The essence of self-help groups is voluntarism. They spread it far and wide in the hopes that more and more people would hear about it and decide to join their club. There are no membership or departure requirements for self-help organizations since they are comprised of individuals who have made the conscious decision to work together for the greater good of society.[10]

**Practitioner of Mutual guide:** In contrast to corporations, self-help organizations do not have formal structures. Every member of a self-help group has an equal say in the group's day-to-day and long-term operations, and they work together to make important decisions.

**Provider of convenient Emergency mortgage:** In times of crisis, self-help groups are there to aid members and act as a cushion for them. In times of crisis, members of the self-help group step up to the plate to aid one another in the ways they see fit.

**Advocate for Savings and Emergency Funds:** Members of credit and thrift societies, which are self-help organizations, get assistance in several areas. The idea behind this system is that people in need may get modest loans and investments.

**Credit score vendor:** If other parties want a borrower's credit score, many credit and thrift self-help organizations are happy to supply it to them.

## WOMEN'S ENTREPRENEURSHIP AND SELF-HELP GROUPS

Because it opens the door to self-employment, self-governance, and the advantages that come with it, self-help groups and entrepreneurship go hand in hand. With the support of self-help organizations, women are now able to put their money and ideas into their own empowerment. Because of this, they are able to forge their own path in life, become financially self-sufficient, and work hard to help support their family. Laws, rights, various government programs, and reform projects are also brought to their attention. The government's microfinance programs aim to improve the living conditions of the impoverished and disadvantaged in the nation, while self-help organizations mediate between these groups and the affiliated banks. In addition to empowering women to take an active role in the workforce, this serves to generate jobs for others and guarantees progress even in the most rural places.[11]

### Promoting women's entrepreneurship via self-help organizations

1. Women may be more effective company owners after they learn the rules and regulations of the corporate world.
2. Their productivity rises, they are inspired to think beyond the box, and they are able to turn a profit because of the methods they put into place.
3. Women entrepreneurs have great success because they are involved in decision-making, know how to make the most of their resources, and are skilled at low-risk management.
4. This empowers women to break the glass barrier and start their own businesses, even if it's on a small scale at first. They conquer the digital world's hurdles and eventually break through to the broader world.
5. Their confidence, numeracy, and reading comprehension have all improved to an admiral degree.

There are several methods in which self-help organizations assist female entrepreneurs. Educating people about goods and marketplaces is one of their primary impacts, along with raising awareness of them. They not only promote women business owners, but also provide them with tools to track their progress, as well as tips and tricks to make it even better. Simultaneously, Self Help Groups address the unique and widespread challenges faced by female entrepreneurs, including navigating markets, securing funding, staffing their businesses, etc.

**Promotion:** The self-help groups' stated goal is to encourage and equip women so that they may actively contribute to the country's economic and social development. They are making an effort to inculcate a sense of independence in the ladies. The primary goal

of self-help groups is to raise the status of women in all spheres of society, including as participants, decision-makers, and receivers. The following public and private organizations work to support women entrepreneurs: Women's Corporate Finance Corporation (WCFC), Federation of Societies of Women Entrepreneurs (FSWE), Small Entrepreneurship Development Institute of India (SEDI), District Industrial Center (DIC), Development of Women and Children in Rural Areas (DWCRA), Integrated Rural Development Programme (IRDP), Prime Minister's Rozgar Yojana (PMRY), and Training of Rural Youth for Self-Employment (TRYSEM).

**Performance:** They acknowledge the SHG members' common interest in reorganizing native entrepreneurs' techniques and business models for greater success, something they've been a part of for a long time. It is recommended that native practices be integrated with emerging technology to enhance performance. In order to help women start their own businesses, there are initiatives that provide them with financial aid and training to improve their skills. In order to inspire women to take the entrepreneurial plunge, they draw from a variety of mainstream and alternative beliefs.[12]

**Problems:** All around the country, women business owners are facing obstacles. Any time a woman aspires to or has achieved the status of female entrepreneur, she encounters social obstacles in a patriarchal culture that punishes women for expressing their true selves outside the home. The society's skeptical gaze is fixed on the businesswomen. Rather than being a secular society, caste and religious distinction persist in India, leading to individual suppression and a lack of opportunities for women entrepreneurs. She feels inferior to males and loses confidence when she suppresses her aspirations and desires from the start. Thus, the capacity to take risks is extinguished. They do not get enough technical instruction. They are afraid that banks would not lend them money or provide them loans because they are not granted the ability to own property. There are marketing challenges since there is increased competition and small businesses can't keep up. There is a lack of information for businesswomen about innovative and advanced automation.

## CONCLUSION

Women's self-help organizations provide a window into an entrepreneurial world teeming with strength and possibility. Through the provision of crucial networks, skills, and financial resources, these organizations have shown to be transforming venues, encouraging women to pursue entrepreneurial endeavors. Projects spearheaded by women in these communities have shown incredible flexibility and creativity in the face of adversity. In light of the complex factors shown by this investigation, it is clear that more work is required to boost women's economic empowerment and



engagement. An environment where women may flourish as entrepreneurs, promoting equitable and sustainable economic development, can be created via the use of policy interventions and the strengthening of support structures.

## REFERENCES

1. Poornima, and Ramanaiah. 2019. "A Study on Entrepreneurial Challenges faced by Women SHG Members with Special Reference to Kolar. New Horizon." *International Journal of Management & Research*, 7(1): 51-64.
2. Rajpal, Navin, K. Tamang. 2022. "The impact of microfinance programs through SHG's on women entrepreneurs in Odisha." *IUP Journal of Entrepreneurship Development*, 11(4): 24-47.
3. Samineni, S., and Ramesh K. 2020. "Measuring the Impact of Microfinance on Economic Enhancement of women: Analysis with Special Reference to India." *Global Business Review*. DOI: 10.1177/0972150920923108. [http://apps.webofknowledge.com/full\\_record.do?product=WOS&search\\_mode=GeneralSearch&qid=1&SID=5CKMhWCX6llis1ggg8w&page=1&doc=3](http://apps.webofknowledge.com/full_record.do?product=WOS&search_mode=GeneralSearch&qid=1&SID=5CKMhWCX6llis1ggg8w&page=1&doc=3) (accessed on 23rd July 2021).
4. Sandhu, K. G. 2018. "A study of norms and functioning of self-help groups (SHG'S) in Punjab." *Journal of Business Management and Social sciences Research*, 2(8): 2319-5614.
5. Savaraiah, G., K. Manatha and C. Gangulappa. 2019. *Self Help is the Best Help in the 124 Eradication of Rural Poverty- An empirical study in Nellore district in A.P. Micro Credit and Rural Development*. New Delhi, India: Deep and Deep Publications Pvt. Ltd.
6. Srinivasan, G., and A. Tankha. 2020. "SHG Federations: Development costs and sustainability." <http://www.microfinancegateway.org/p/site/m/template.rc/1.9.62110/> (accessed on 20th June 2021).
7. Majumdar, S., 2018. "Modeling growth strategy in small entrepreneurial business organizations." *Journal of Entrepreneurship*, 17(2): 157-168.
8. Master Circular - Deendayal Antyodaya Yojana- National Urban Livelihoods Mission (DAY-NULM). [https://www.rbi.org.in/scripts/BS\\_ViewMasCircularDetails.aspx?id=10493](https://www.rbi.org.in/scripts/BS_ViewMasCircularDetails.aspx?id=10493) (accessed 23rd July 2021).
9. Mani, M. R., and S. Menon. 2022. "Enhancing Entrepreneurial Success of Self-help Group (SHG) Women Entrepreneurs through effective training." *International Journal of Multidisciplinary Management Studies*, 2(1): 2249 8834.
10. Morrison, A., Breen J. and Shameem A. 2021. "Small business growth: Intention, ability & growth." *Journal of Small Business Management*, 41(4): 417-425. <http://dx.doi.org/10.1111/1540-627X.00092>.
11. McGee, J. E., M. J. Dowling, and W. L. Megginson. 2020. "Cooperative Strategy and New Venture Performance: The Role of Business Strategy and Management Experience". *Strategic Management Journal*, 16 (1): 565-580.
12. Merz, G. R., and M. H. Sauber. 2021. "Profiles of Managerial Activities in Small Firms." *Strategic Management Journal*, 16 (1): 551-564.

---

## Corresponding Author

### Mangleshwar Gupta\*

Research Scholar, Madhyanchal Professional University, Bhopal (M.P.), India

Email: mangleshwarg@gmail.com