

# The Role of Self-Help Groups in Promoting Women Entrepreneurship

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## To Cite this Article

Neeraj Kumar and Jayashree Ambewadikar (2024). The Role of Self-Help Groups in Promoting Women Entrepreneurship. *Studies in Indian Sociology*, 1: 1, pp. 43-51.

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**Abstract:** The Self-Help Groups (SHGs) have been empowering women socially and economically and also encouraged them to create their own enterprises. SHG membership improves money management, confidence, decision-making, and social networks. They also organize local collaboration. People establish social capital and support networks via SHGs. The research examines SHG membership and social and economic development using secondary qualitative analysis. The paper also discusses issues including tool availability, community support, and leadership. SHG stakeholders should be engaged to develop gender-sensitive regulations, and promote relationships to help initiatives to operate better and endure longer results. The research also recommends investing more in women's SHGs and business control to enhance women's livelihoods. Focusing on SHG development may assist leaders, NGOs, and community organisations to make society more open and equitable for women. This will equip women for personal and professional success. The research shows how SHGs has empowered women and boost socio- economic development.

**Keywords:** Self-Help Groups (SHGs), Women entrepreneurship, Sustainable Business Model, Socio-economic Empowerment and Gender equality.

## Introduction

For economic and social growth around the world to happen, women who start their own businesses are very important. In the last few years, this has become clearer. When women start their own businesses, they boost the local economy and make towns better. Sometimes women who want to start their own businesses have trouble because they don't have enough money, connections, or tools. Self-help groups (SHGs) help women and push them to turn their ideas into companies. Some of the things that have been talked about are how SHGs help women start their own businesses and become financially independent, as well as the pros and cons of the process. Many more people

are becoming aware of how important it is for women to start their own businesses in order to improve society and economic growth around the world. Women who run their own businesses with new ideas and drive make the places where they live better. It can be hard for women to start their own businesses because they don't have enough money, ties, or support networks. More women who join self-help groups go after bigger goals and start their own businesses. Similar-income women can get together in a safe space to share their problems, learn from each other, and use the tools that are there for them. Women who join SHG can save money, get loans, get better at what they do, and talk about their plans to start their own business. They can reach their business goals with all of these things. We look at how SHGs can help women who want to start their own businesses. A study found that SHGs help women get ahead financially and move up in business and society. They also help women get out on their own financially. Some things, like not having enough money or help from institutions, make it hard for SHG to reach their goal. It also shows that they give lots of chances to women to run successful businesses. This article shows that SHGs can help businesswomen around the world make the future better, fairer, and more different.

### Understanding Self-Help Groups

People from similar backgrounds get together in self-help groups (SHGs) to work on problems and organize their money. Everyone in the SHG has to decide what to do and switch roles every so often. They want their people to have better jobs and social lives, so they help them save money, get loans, and start their own businesses. Self-help groups have had a tough time getting women to start their own businesses because it's tough for women to get jobs. Through SHG, women can get money, learn from each other, start and grow their own businesses, and do other things. A lot of women can get help from SHGs if they want to start their own business. They help women learn new things, get jobs, make more money and may read about what they do (Kumaret al., 2022).

Self-help groups (SHGs) have grown in importance in building areas as the number of SHGs has grown. When women and other poor groups are having trouble with money or people, SHGs can help them. These groups of people from the same neighbourhood all want to make more money. They get things done and make things better. People in the same SHG can talk to each other about their ideas, experiences, and tools. SHGs are based on the idea that people should have power and help each other. Everyone in the group works together to make it strong. It is the main goal of SHG to help their members get ahead financially. They do this in many ways. SHGs promote a culture of financial discipline and thrift by encouraging members to save regularly and build a cushion of money so they can overcome financial challenges and invest in activities that generate income. SHGs gives training and capacity-building

opportunities to members to improve their skills. Basic literacy is one of the skills that can be trained for. SHG give members the skills and knowledge they need to live better lives (Nagaraja & Sudharshan 2020).

A lot of women in rural and underdeveloped areas don't start their own businesses because of this. The answer is microcredit facilities, which let people borrow small amounts of money. With these loans, women can put their money into businesses that make money, like small-scale farming, animal care, crafting, or selling goods in shops. They can get out of poverty and start making their own money this way. SHG facilitates networking among women business owners by providing a setting where they can connect with others working in the same field. Through meetings, group discussions, and peer learning projects, members talk about their ideas, ask for help, and learn from each other. There is a sense of unity and belonging among the women in this group. Self-help groups for women are meant to help them start their own businesses and make money. SHGs tell women to help and support each other so that they can get through hard times, open doors, and follow their business dreams. In addition to helping towns grow and move forward, SHGs can make them better places to live. People need to be better at helping women start their own businesses if we want to make society fairer and happier. Dealing with money issues is easier with the help of self-help clubs (Burn, 2022). Volunteering, helping each other, and sharing responsibility are some of the ideas that drive grassroots groups. Women who want to start their own businesses can get help from SHG by making a list of people they know. People who are women can put their money into SHGs that give out small loans. So, they can put their money into things that will make them money without getting into debt. The goal of SHGs is to make society a place where women feel strong and in charge. Women who want to start their own businesses need to invest in SHGs. This is because SHGs help make sure that all women have the same economic opportunities. Long-term social and economic growth comes from this (Devi, 2013).

## Promoting Women Entrepreneurship through SHGs

**1. Access to Finance:** Women business owners have the hardest time because they can't get to banks or other legal financial institutions. Women can pool their savings with the help of the SHGs. Women can start or expand businesses with these loans. Women are able to access financial resources that they wouldn't have been able to if the group had not been strong. It's hard for women entrepreneurs to get finance. Self-help groups help bridge the gap by giving a platform for women to combine their savings and avail microcredit facilities. Women can use the loans to launch or scale their businesses. Without the solidarity of the group, women wouldn't be able to access financial resources. SHG promotes a culture of financial inclusion by encouraging

regular savings. If women pool resources they can accumulate large funds. It is possible for members of the SHG to share financial knowledge (Sunny & Pereira, 2011).

Microcredit facilities cater to women entrepreneurs seeking microcredit. Competitive interest rates make these loans affordable. A sense of accountability is promoted by SHG. SHG are catalysts for financial empowerment, unlocking access to capital and allowing women entrepreneurs to realize their business ambitions. SHGs aim to promote economic self-sufficiency and democratize finance while also promoting women's entrepreneurship which are key drivers of inclusive growth Investing in SHG will help expand financial inclusion and create a favourable environment for women's economic empowerment (Jakimow & Kilby, 2006).

**2. Skill Development:** Financial literacy, marketing, management, and problem-solving are some skills a successful entrepreneurship need. Female entrepreneurs get lessons and training that help them get better at what they do. These programs assist women in making plans for the future, boosting the marketability of their companies, and adapting to shifting business conditions. It helps them run their businesses better. Ladies can get advice from each other and feel safer in a place where everyone is willing to assist them (Dessler, 2020). The ability to effectively manage a business requires a wide range of skills. Helping others by giving them training and programs is what self-help groups (SHGs) do. Plus, they know how important it is to give women business owners the tools and resources they need to succeed. Individuals learn all they require about money, advertising, managing a business, and fixing issues at these places.

Society for Helping Hands educates women business management. People are learning to manage money, start enterprises, identify new markets, and reduce risk (Dewitt et al., 2023). SHGs provide real-world training and teaching to assist women employ their new business skills. SHGs allow women to share their accomplishments and failures in a safe and supportive environment. They can discuss and learn from each other's successes and disappointments. Individual learning boosts self-esteem and encourages collaboration. SHG training programs help women entrepreneurs solve problems and achieve goals. Through skill development, SHGs assist women become market-competitive, enhance their enterprises, and adapt to new situations. Skills and expertise aid women's companies and foster economic freedom and growth in society and the economy. Skill development must continue to encourage women's entrepreneurship and economic progress (Brody et al., 2017).

**3. Market Linkages:** Women-owned businesses need markets to grow. Women entrepreneurs are connected with buyers, suppliers, distributors and other people in the value chain. Women can work together, negotiate more effectively, negotiate lower costs, and access more markets with collective marketing initiatives. Smart homes groups can be used by women to identify market opportunities, find new markets, and

innovate in response to consumer demands. SHGs contribute to basic connections in market linkages by serving as platforms for capacity-building and dissemination of market knowledge, in addition to basic connections. SHG members get support for market research, product development, packaging, branding, and quality control with the help of market information, trends and best practices, women entrepreneurs can stay updated on their strategies (Das & Guha, 2019).

There are value-added activities that women can participate in along the supply chain. SHGs, which connect women entrepreneurs with buyers and suppliers, enable them to offer processing, packaging, and value addition services, thereby increasing their income and improving the competitiveness of their products/services. This contributes to the empowerment of women as well as adds value to the local economies. Market infrastructure and support services such as transportation, storage, and quality certification are essential to reaching distant markets and maintaining product quality and integrity. SHG can use their strength to negotiate favourable terms with service providers and overcome logistical barriers that impede the market access of small-scale entrepreneurs (Hutt & Speh, 2021).

**4. Social Capital:** Women entrepreneurs need social capital to succeed because it gives them access to networks, information and support systems. Women can build relationships, exchange ideas, and get advice through SHG. The networks give emotional support and open doors. SHGs help women deal with problems, take advantage of opportunities, and learn how to be a business by promoting friendship.

Social capital from the group benefits the community. Strong SHG friendships and mutual support strengthen their connections. This strengthens women-owned enterprises' support network, helping them succeed even when things go wrong or are unclear (Jejeebhoy et al., 2017). Women entrepreneurs require social capital to network, learn, and seek aid to expand their enterprises. Joining self-help organizations builds social capital. These active social networks allow women to meet new people, share information, and obtain guidance from teachers and peers. Business partners, strategic alliances, and joint ventures can be found on these networks. Which can earn them money. SHG members' strong bonds provide them the guts and support to solve difficulties, take opportunities, and learn business. Women's SHG ties benefit the community as well as the group. SHG collaboration and action foster local trust, collaboration, and socioeconomic development (Kumar & Kumar, 2022).

**5. Empowerment and Agency:** The empowerment of women and the improvement of their agency may influence female entrepreneurship the most. Women gain confidence through participation. Women are able to experience greater independence at the household and community levels by taking control of their finances (Senapati & Ojha, 2019). As role models, women inspire and empower others, creating a ripple effect

of change across generations. The most significant impact on female entrepreneurship is probably the empowerment of women and the improvement of their agency. Women gain confidence through participation. Women are able to experience greater independence at the household and community levels by taking control of their finances. As role models, women inspire and empower others, creating a ripple effect of change across generations. Empowerment not only empowers individuals but also promotes broader social and economic progress by creating a more diverse and equal society where women are valued as equal partners in the pursuit of progress (Ojonget al., 2021). As role models, women inspire and empower others, creating a ripple effect of change across generations. They show other women how to follow their business dreams and rights by what they do and what they achieve. Beyond individual lives, this empowerment leads to a more inclusive and equitable society where women are valued as equal partners in the progress of society. SHGs advocate for empowerment and agency, which not only empowers women entrepreneurs but also promotes local-scale socio-economic transformation. One way for stakeholders to help women's leadership and development is to make the most of the skills women have to offer (Pettinger, 2020).

## Challenges and Opportunities

*SHGs have helped a lot of women start their own businesses, but they do have some issues.*

- 1. Limited Access to Resources:** Many SHGs lack funds, expertise, and government support. SHGs perform better and last longer when larger. Many tiny home groups wish to help but lack funds, expertise, or institutional support. Without means, people can't gain economic power. SHG can improve by taking classes, getting support, and networking. SHGs can get resources from banks, government agencies, and business help groups to better serve their members and encourage women to start enterprises (Roos, 2021).
- 2. Social and Cultural Barriers:** Society's expectations and rules make it hard for women to work. If we want more women to create enterprises, we must fight damaging gender stereotypes, make gender-sensitive rules, and advocate for women's rights. Self-help groups for women entrepreneurs struggle to empower people financially. SHGs need help, training, and meetings to fix this. Good status with banks, the government, and company support organizations grants access to tools, information, and help. Funding issues must be resolved for SHG to achieve its aims, inspire women to start enterprises, and boost the economy (Shenkaret al.,2021).
- 3. Technology and Innovation:** Tech and new ideas may help women-owned businesses compete and grow these days. If women learn how to use technology, do

business online, and stay safe online, they might be able to benefit from the digital economy and reach more people. Tech and new ideas may help women-owned businesses compete and grow these days. If women learn how to use technology, do business online, and stay safe online, they might be able to benefit from the digital economy and reach more people. ICTs help women who own businesses run their businesses more efficiently, find new customers, and meet with customers all over the world. A culture of innovation in SHGs encourages members to try new business ideas, adopt new methods, and adapt to changing market dynamics, which strengthens women-led firms (Stefanet al., 2021). SHG can assist women entrepreneurs succeed in today's digital and competitive business environment using technology and creativity.

4. **Access to Markets:** Policy assistance is essential for female entrepreneurs. SHGs and women entrepreneurs flourish when policies promote gender equality, women's empowerment, and entrepreneurship. Governments may provide women entrepreneur's flexible microcredit repayment terms (Ughettoet al.,2020). Better market, infrastructure, and technology access may help women-led businesses compete. Governments may subsidize capacity-building. Governments may help women entrepreneurs and create a more inclusive and equitable entrepreneurial climate by including gender viewpoints in legislation. The only way to maximize SHG and women entrepreneur potential is policy support.
5. **Policy Support:** Policy support is crucial for female entrepreneurship. As long as policies encourage gender equality, women's empowerment, and entrepreneurial development, SHG and women entrepreneurs can thrive. Governments may provide women entrepreneur's microcredit with flexible payback periods. Women-led enterprises may compete by improving market, infrastructural, and technological access. Governments may fund capacity-building. By include gender views in policy, governments may address women entrepreneurs' particular obstacles and build a more inclusive and fairer entrepreneurial environment. Policy support is the only approach to maximize SHG and women entrepreneur potential (Yanget al., 2022).

## Conclusion

Self-help groups empower women to develop businesses and improve their income. SHGs give women money, skills, market contacts, social capital, and independence to overcome obstacles, take opportunities, and pursue their business aspirations. Banks, businesses, nations, and civil society must collaborate. Pushing millions of women to establish businesses will help them fulfil their potential and increase economic

growth for everyone. Women entrepreneurs can benefit from shoulder-shrugging organizations. These local groups' help women start and grow companies. Shows they empower women economically. SHGs provide women with money, business training, markets, and the chance to start their own businesses.

Women entrepreneurs who can't acquire bank financing benefit from SHGs. SHG members can invest in their enterprises via microcredit and pooling cash. This club advises members to repay loans rapidly. SHGs teach women business management, promotion, and finance. ASG's training seminars provide women the confidence and knowledge to establish their own enterprises, increasing their chances of success. Shareholder groups (SHGs) help women sell, discover bargains, and start enterprises. SHGs boost women's social wealth. Group discussions and activities boost women's confidence. Women who join SHGs and participate in family choices and income gain power and prestige. SHGs help women start businesses, but numerous difficulties remain. Many women-owned businesses cannot expand due to a lack of locations, facilities, and social and cultural obstacles. In addition to funding SHGs, states, development agencies, and other interested parties should help, support, and foster women-owned companies. Supporting SHG encourages women to create enterprises and gives men and women equitable market access. Women working together may build a support structure that boosts the economy, reduces poverty, and promotes long-term growth. SHGs are crucial to economic progress and women's independence in a more open society. Helping women-owned companies succeed will improve the world for everyone. This can be done through collaboration and partnerships.

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