



EMPOWERING RURAL WOMEN OF SELF-HELP GROUPS THROUGH ENTREPRENEURSHIP: A SYSTEMATIC REVIEW OF CHALLENGES, STRATEGIES, AND IMPACT

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ABSTRACT

This study explores the empowerment of rural women of self-help groups through entrepreneurial activities, emphasizing the multifaceted challenges they face and the strategies that can enhance their participation in economic development. Rural women entrepreneurs encounter significant barriers, including limited access to capital, inadequate infrastructure, lack of training, and restrictive socio-cultural norms. These challenges are compounded by institutional gaps and policy disconnects. Through a systematic review of literature and analysis of case studies, the research identifies key strategies such as skill development programs, improved access to finance, simplification of regulatory processes, and infrastructure investment. The study highlights the transformative impact of these interventions on rural women's lives, enhancing their skills, financial independence, market access, and social standing. Ultimately, empowering rural women through entrepreneurship contributes to sustainable rural development, reduces poverty, and fosters gender equality. This research underscores the need for coordinated efforts by governments, NGOs, and communities to build an inclusive entrepreneurial ecosystem for rural women.

KEYWORDS: Rural women, Self-Help Groups Entrepreneurship, Challenges, Strategies, impact.

INTRODUCTION

Rural women entrepreneurs are increasingly recognized as essential drivers of economic development and social change, particularly in marginalized communities. Their participation in entrepreneurial ventures not only stimulates innovation and job creation but also profoundly enhances the socio-economic conditions of rural locales. Rural entrepreneurship serves as an indispensable component of economic progress and social evolution in these regions. Among the diverse initiatives that promote rural entrepreneurship, Self-Help Groups (SHGs) have emerged as powerful mechanisms, especially for the advancement of women and the facilitation of inclusive growth.[1]. However, despite their growing significance, rural women face a unique set of challenges that hinder their entrepreneurial journey. These challenges stem from a complex interplay of social, cultural, economic, and institutional barriers. Such constraints significantly reduce their ability to participate fully in economic activities and limit their access to essential resources and networks. Empowering rural women through entrepreneurship is not just a matter of gender equity—it is a strategic imperative for inclusive and sustainable development. By identifying the barriers faced by rural women entrepreneurs of self-help groups and exploring the strategies to overcome them, this study aims to shed light on how targeted interventions can drive meaningful change in rural economies.

ROLE OF SELF-HELP GROUPS IN RURAL WOMEN ENTREPRENEURSHIP

Rural entrepreneurship among women has emerged as a growing concern and area of focus in rural India. A woman entrepreneur is someone who takes on challenging roles to fulfill her personal aspirations and achieve economic independence. In India, there are approximately eight million women entrepreneurs, with Tamil Nadu accounting for the largest share.[2]

Self Help Groups (SHGs) are a crucial tool for women's empowerment in rural areas. These groups provide microcredit for women to start businesses, promoting entrepreneurship and income generation. They offer flexible working hours and economic independence, enhancing women's social and economic status. SHGs also contribute to the improvement of women's standard of living and social recognition of themselves. They can be linked to government literacy programs, making them an integral part of SHG activities. Raised literacy levels help members overcome cognitive constraints, understand government policies, and acquire necessary skills. Overall, SHGs play a significant role in empowering women and improving their overall lives.[3].

The Indian government is implementing initiatives to improve women's economic condition and development. The Self-Help Group (SHG) program is a successful tool for empowerment. SHGs provide financial support to rural women, encouraging them to start entrepreneurial activities and establish small businesses. Women participate in training and capacity building programs, using loan funds for income-generating



activities. SHG members make decisions related to production and marketing.[4].

EMPOWERING RURAL WOMEN OF SELF-HELP GROUPS THROUGH ENTREPRENEURSHIP

Empowering rural women through self-help groups (SHGs) and entrepreneurship involves access to credit, collective decision-making, and building confidence. These groups help women overcome social barriers, learn financial discipline, and develop entrepreneurial skills for sustainable economic empowerment. They enable women to undertake small-scale enterprises like handicrafts, agriculture, or small trading, which they might not pursue individually due to limited resources or confidence.[5].

Microfinance and entrepreneurial activities through Self-Help Groups (SHGs) significantly improve rural women's lives by enabling financial independence, increasing household income, and improving savings and economic stability. This leads to greater decision-making power, expanded social interactions, and opportunities for self-growth. SHG participation also fosters social empowerment by enhancing women's mobility, reducing social barriers, and promoting gender equality. Psychologically, women experience increased self-confidence, leadership abilities, and independence. Case studies show women breaking free from poverty and becoming more assertive at home and in their communities.[6].

Self Help Groups (SHGs) are vital in supporting women in rural entrepreneurship by providing microfinance assistance. They help women access funds to start or expand businesses, enhancing financial inclusion and facilitating sustainable livelihoods. SHGs also build social capital, empowering women socially and economically. However, challenges like high-interest rates from some microfinance institutions highlight the need for policy interventions to improve the support system for women entrepreneurs.[7]

REVIEW OF LITERATURE

Mwobobia, F. M. (2012). identified that women entrepreneurs in Kenya represent nearly half of micro and small enterprises, significantly contributing to employment and economic growth. However, they face challenges such as limited access to finance, discrimination, and high borrowing costs. Socio-cultural norms restrict their participation in higher-growth sectors, while infrastructural issues and complex licensing impede development. Initiatives like women's enterprise funds and capacity-building programs aim to address these barriers and empower women entrepreneurs. Tackling these financial, cultural, and infrastructural challenges is essential for enhancing women's entrepreneurial growth in Kenya[8].

Singh, R., & Raghuvanshi, N. (2012) highlighted that entrepreneurship is vital for economic growth and socio-economic development. Women have been underrepresented in entrepreneurship, but trends indicate increased awareness and participation. The Indian government emphasizes women's empowerment through programs supporting entrepreneurs. Improved women's literacy and the growth of

Self Help Groups (SHGs) have raised income levels and social standing. However, challenges like social constraints and limited access to finance continue to impede women's potential in entrepreneurship. The future for women entrepreneurs in India relies on sustained policy support and capacity-building initiatives[9].

Das, S., Mitra, A., & Ali, M. H. (2015) focused on areas pertaining to possibilities and constraints of developing rural entrepreneurship exclusively governed by rural women SHGs. They found the role of SHGs in promoting rural entrepreneurship using local skills, local knowledge and local resources involving women workforce was very significant. During the last three decades rural development practitioners have been focusing on SHGs as an instrument for rural entrepreneurship development in rural sector.[10]

OBJECTIVES OF THE STUDY

1. To examine the key challenges faced by rural women of Self -Help Groups in pursuing entrepreneurial activities.
2. To analyze the strategies adopted by rural women entrepreneurs of Self -Help Groups to navigate and overcome these challenges.
3. To evaluate the impact of rural women's entrepreneurial initiatives on the socio-economic development of rural communities.

RESEARCH METHODOLOGY

This study relies on secondary data sourced from scholarly literature, government policies, and programs related to women entrepreneurship. Peer-reviewed articles were retrieved from electronic databases, while additional information was obtained from official websites of the Ministry of Commerce and Industry, NABARD, and the Ministry of MSME.

CHALLENGES

The significant challenges faced by rural women entrepreneurs are as follows

- ❖ Rural entrepreneurs often lack access to training and educational resources, which restricts their understanding of market dynamics, innovative business practices, and efficient resource utilization. This gap in knowledge limits their ability to compete effectively and adapt to changing economic environments.
- ❖ There is a disconnect between urban policymakers and the realities of rural resources and capabilities. Urban planners and officials often lack detailed and in-depth knowledge of rural endowments, resulting in policies that do not address the real needs of rural entrepreneurs, leading to loopholes and ineffective support
- ❖ Access to finance is a major barrier for rural entrepreneurs. Many are unable to secure loans or credit facilities due to the absence of tangible collateral, formal credit history, or financial literacy. Without sufficient funding, rural businesses struggle to start, operate, or expand
- ❖ Rural entrepreneurs face difficulties in complying with legal formalities, paperwork, and regulations necessary



for business operations. The complexity and length of procedures, combined with insufficient administrative support, often discourage rural ventures from establishing or continuing operations

- ❖ Poor infrastructure in rural areas adds to the challenges. Lack of proper roads, electricity, communication facilities, and storage hampers production, increases operational costs, and limits access to larger markets
- ❖ Products produced by rural industries often suffer from quality issues and lack standardization. This leads to low demand and difficulty in competing with urban and large-scale industries, which have stronger branding, marketing, and quality assurance mechanisms
- ❖ The rural labor market often lacks skilled workers necessary for various industries. Entrepreneurs find it challenging to recruit and retain workers with the technical skills required for efficient production and innovation
- ❖ The limited disposable income in rural households reduces overall demand for goods and services. This low purchasing power restricts market size and revenue potential for rural enterprises
- ❖ Rural entrepreneurs face intense competition from well-established urban industries that benefit from economies of scale, superior technology, and better marketing strategies. This competition makes it hard for rural enterprises to sustain and grow in the marketplace

STRATEGIES TO OVERCOME THE CHALLENGES

- ❖ To bridge the knowledge gap by providing training programs, conducting workshops, and effectively disseminating information about government schemes, financing procedures, and market opportunities in rural communities.
- ❖ Ensuring timely availability of funds with low-interest rates and minimal collateral requirements, encouraging financial institutions to develop special credit products for rural entrepreneurs, simplifying loan application processes, and providing documentation assistance.
- ❖ Streamline business registration, licensing, and compliance processes, focusing on user-friendly, less paperwork-intensive procedures, and establishing local support centers or NGOs to assist rural entrepreneurs.
- ❖ Invest in rural infrastructure such as roads, transportation, power supply, communication networks, and storage facilities. Enhance connectivity with urban markets to expand business opportunities
- ❖ Implement quality control systems and standardization for rural products to boost market acceptance, facilitate branding, packaging, and marketing training for rural entrepreneurs, and establish marketing cooperatives for product aggregate and bargaining power.
- ❖ Implement vocational training and skill development programs for rural youth to meet labor demands, promote apprenticeships, and build a skilled workforce in rural industries.
- ❖ Increase rural income generation through diversified entrepreneurial activities, improving employment and consumption capacity. By supporting initiatives like

organic farming and localized production to cater to niche markets and enhance income streams

- ❖ Encourage government and NGOs to focus on rural entrepreneurship development as a priority.
- ❖ Utilize schemes like Make in India to boost demand and support for locally produced goods. Promote success stories to motivate rural populations .

IMPACT OF THE STRATEGIES IN EMPOWERING RURAL WOMEN ENTREPRENEURS

The implementation of the strategies to overcome challenges in rural entrepreneurship has a significant positive impact on empowering rural women entrepreneurs in the following ways:

- ❖ Training and education programs equip rural women with the necessary entrepreneurial skills, technical knowledge, and confidence to start and manage enterprises.
- ❖ Exposure to successful role models and access to information enhance their motivation and ability to innovate within their local contexts
- ❖ Simplified credit procedures and availability of microfinance or soft loans help rural women who traditionally face more barriers in accessing formal financial institutions.
- ❖ Financial empowerment enables women to invest in their businesses independently, promoting self-reliance and economic participation
- ❖ Eased legal formalities and administrative support lower barriers that particularly hinder women entrepreneurs, who may have limited literacy or experience in bureaucratic processes.
- ❖ Local assistance centers ensure that women receive the guidance needed to comply with regulations comfortably
- ❖ Improved infrastructure and market linkages expand the scope for women to engage in various rural enterprises such as handicrafts, food processing, organic farming, and poultry, which are often well-suited to women's participation.
- ❖ Enhanced market competitiveness and quality standards increase the demand and profitability of women-led enterprises
- ❖ As rural women gain financial independence and social recognition through entrepreneurship, community perceptions shift positively regarding women's economic roles.
- ❖ Availability of local employment reduces the need for rural women (and their families) to migrate to urban areas, which often disrupts social structures and exposes women to vulnerabilities
- ❖ Women entrepreneurs contribute to rural economic diversification and resilience by utilizing local resources and creating sustainable livelihoods.
- ❖ Their enterprises often have social benefits, such as promoting organic farming and environmentally friendly practices, further enhancing community welfare
- ❖ As women increase their participation in the rural economy, the income disparity and gender-based discrimination reduce.



- ❖ Empowerment through entrepreneurship improves women's decision-making power both within households and in the community.

CONCLUSION

The challenges faced by rural entrepreneurs pose significant barriers to their growth and success. Effectively addressing these issues is essential to establishing a supportive ecosystem for rural entrepreneurship. Strategic interventions are crucial in fostering such an environment, enabling rural entrepreneurs to contribute meaningfully to rural development. Implementing these strategies has a notably positive impact on the empowerment of rural women entrepreneurs, enhancing their economic independence while promoting inclusive development, poverty reduction, and gender equality at the grassroots level.

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