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## CHALLENGES FACED BY SELF-HELP GROUP WOMEN ENTREPRENEURS: AN EXPLORATORY STUDY

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### Abstract

India has more than 90 lakh Self-Help Groups (SHGs) linked to banks, reaching around 10 crore households, making SHGs one of the largest women-led community development networks in the world. Women starting businesses have become a key driver for economic growth, reducing poverty, and bringing about social changes. In India, Self-Help Groups (SHGs) have played a big role in helping women, especially in rural and semi-urban areas, to start and grow their own businesses. Although SHGs have helped many women gain financial independence, these women still face several challenges that make it hard for their businesses to grow and stay successful.

This study looks into the main difficulties that SHG women entrepreneurs face and how these problems affect their business performance. The research finds that financial, educational, market, infrastructure, social, and technology-related issues all play a part in limiting the success of women-owned businesses. The results show that even with support from institutions, many obstacles still prevent SHG women from fully realizing their entrepreneurial potential.

### Introduction

Entrepreneurship is seen as a key way to help the economy grow and create jobs. In recent years, more women have started their own businesses because of government efforts, financial programs, and the growth of Self-Help Groups (SHGs). SHGs give women chances to get loans, learn new skills, and make money through different activities.

Despite these gains, SHG women entrepreneurs face many challenges that affect how their businesses start, run, and grow. These issues often come from unequal social and economic conditions, limited access to resources, and structural problems. Understanding these challenges is important for creating better policies and support systems that can help women succeed as entrepreneurs.

The present study is an exploratory look at the main problems faced by SHG women entrepreneurs and offers ideas on how to overcome these issues.

### Objectives of the Study

The study aims to:

- \* Identify the major challenges faced by SHG women entrepreneurs.
- \* Examine the factors that affect business performance and sustainability.
- \* Explore how socio-economic conditions relate to entrepreneurial challenges.
- \* Suggest ways to strengthen women's entrepreneurship through SHGs.

### Financial Challenges

Despite access to microcredit, the average SHG loan remains around ₹1.5–2 lakh, which is often insufficient for business expansion, machinery purchase, or entering larger markets. Getting enough money is one of the biggest problems for SHG women entrepreneurs. Although SHGs help get small loans, many women find it hard to get enough money to grow their



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businesses. Limited collateral, not enough savings, and difficulty in getting loans from formal banks often stop their business growth.

Many businesses rely on small investments and internal group lending. This makes it hard for women to buy new equipment, use modern technology, or start new types of businesses. Money issues also make businesses more vulnerable to risks and changes in the market.

### **Educational and Skill-Related Challenges**

More than half of SHG women entrepreneurs lack formal business training, affecting planning, financial management, and market expansion. Education is important for running a business well. Women with less education often struggle with managing their business, keeping track of money, understanding market trends, and getting help from government programs.

Lack of training in entrepreneurship further limits their ability to:

- \* Create business plans
- \* Manage money properly
- \* Use digital tools
- \* Look for new markets
- \* Use new business methods

Not having ongoing training reduces their ability to compete and grow their businesses.

### **Market-Related Challenges**

Nearly two-thirds of SHG-based enterprises operate only within local markets, limiting business growth and profitability. Reaching customers is a big problem for SHG women entrepreneurs. Many businesses operate only in local areas and find it hard to reach bigger markets. They face competition from bigger companies, lack marketing knowledge, and don't know how to brand their products.

Key market challenges include:

- \* Not enough market information
- \* Limited ability to reach customers
- \* Poor marketing and promotion skills
- \* Lack of knowledge about digital marketing
- \* Dependence on local demand

These issues stop businesses from growing and make it hard to achieve long-term success.

### **Technological Challenges**

Studies indicate that around 40% of rural women entrepreneurs face digital access limitations, restricting their use of online payments, e-commerce, and digital marketing. The fast changes in technology offer both chances and problems for women entrepreneurs. Many SHG members don't have enough knowledge about using digital tools and don't have access to the Internet or smart devices.



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Common tech challenges include:

- \* Limited use of digital payment systems
- \* Not knowing how to use e-commerce platforms
- \* No access to smartphones or the Internet
- \* Little training in managing digital businesses

As markets move more online, these gaps make it harder for SHG women entrepreneurs to compete.

### Infrastructure Constraints

Good infrastructure is important for business success. Many women run their businesses from home or small spaces because there are no proper business premises. Poor transportation, inadequate storage, unreliable electricity, and limited resources reduce productivity.

Poor infrastructure leads to:

- \* Higher costs
- \* Lower production efficiency
- \* Difficulty in moving goods
- \* Limited ability to scale up businesses

These issues are especially bad in rural areas where infrastructure is not well developed.

### Social and Cultural Barriers

Social norms and cultural beliefs still affect women's ability to start and run businesses. Many women have to juggle household duties with work, leaving little time for their businesses.

Other social challenges include:

- \* Gender discrimination
- \* Limited freedom to move around
- \* Few opportunities to join business networks
- \* Lack of support from family in some cases
- \* Old ideas about women's roles

These barriers can affect confidence, decision-making, and the desire to start a business.

### Challenges in Accessing Government Support

Governments have created many programs to help women entrepreneurs, but many SHG women find it hard to use these programs properly. They face problems like lack of awareness, complicated application processes, strict paperwork, and not enough guidance.



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## Recommendations

To strengthen SHG women entrepreneurship, the following measures are recommended:

- Enhance access to affordable credit and financial services.
- Provide regular entrepreneurship and skill development training.
- Promote digital literacy and technology adoption.
- Establish stronger market linkages and e-commerce opportunities.
- Improve rural infrastructure and common business facilities.
- Simplify procedures for accessing government schemes.
- Encourage mentorship and networking opportunities.
- Promote awareness programs to reduce gender-based barriers.

## Conclusion

Self-Help Groups have emerged as powerful instruments for promoting women entrepreneurship and economic empowerment. However, SHG women entrepreneurs continue to face numerous challenges that affect business sustainability and growth. Financial constraints, limited education, inadequate market access, technological barriers, infrastructure deficiencies, and socio-cultural restrictions remain significant obstacles. Addressing these challenges through integrated policy interventions, capacity-building initiatives, and institutional support can enhance the entrepreneurial potential of women and contribute to inclusive economic development. Strengthening SHG-based entrepreneurship is essential for achieving sustainable livelihoods, gender equality, and rural transformation. Because of these issues, the intended benefits of these programs are often not fully realized.

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